

UNITED WAY OF PASCO COUNTY, INC.

FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors
United Way of Pasco County, Inc.
Land O' Lakes, Florida

We have audited the accompanying financial statements of United Way of Pasco County, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and changes in net assets, 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to 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 of 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 United Way of Pasco County, Inc. as of June 30, 2020 and 2019, and the changes 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2020, on our consideration of the Organization'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 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 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 the Organization's internal control over financial reporting and compliance.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of allocations on page 22 is presented for purposes of additional analysis and is 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Reeder & Associates, PA

Certified Public Accountants
September 10, 2020

**UNITED WAY PASCO COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019**

ASSETS

	<u>2020</u>	<u>2019</u>
Current Assets		
Cash and cash equivalents	\$ 508,451	\$ 354,330
Investments	1,360,970	1,645,169
Pledges receivable, net of allowance for uncollectible pledges of \$68,891 and \$115,227 respectively	360,121	362,708
Grant receivable	84,167	-
Prepaid expenses	<u>13,444</u>	<u>30,181</u>
Total Current Assets	2,327,153	2,392,388
Investments	323,127	318,921
Property and equipment, net	<u>210,283</u>	<u>212,569</u>
Total Assets	<u>\$ 2,860,563</u>	<u>\$ 2,923,878</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable and accrued liabilities	\$ 9,880	\$ 49,769
Deferred grant revenue	289,747	-
Borrowings under line of credit	-	125,000
Paycheck Protection Program loan	79,200	-
Allocations payable to partner agencies	250,000	-
Special community impact allocations payable	36,590	136,590
Designated contributions payable	<u>19,745</u>	<u>21,036</u>
Total Liabilities	<u>685,162</u>	<u>332,395</u>
Net Assets		
Without donor restrictions:		
Undesignated	657,852	1,078,394
Invested in property and equipment	210,283	212,569
Board designated for operating reserve	855,611	855,611
Board designated for endowment	<u>323,127</u>	<u>318,921</u>
Total Net Assets Without Donor Restrictions	2,046,873	2,465,495
With donor restrictions:		
Purpose restrictions	<u>128,528</u>	<u>125,988</u>
Total Net Assets	<u>2,175,401</u>	<u>2,591,483</u>
Total Liabilities and Net Assets	<u>\$ 2,860,563</u>	<u>\$ 2,923,878</u>

Read Report of Independent Certified Public Accountants.
The accompanying notes are an integral part
of these financial statements.

UNITED WAY PASCO COUNTY, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Changes in Net Assets Without Donor Restrictions		
REVENUE AND SUPPORT		
Contributions		
Total amount raised	\$ 1,056,672	\$ 1,047,546
Less: estimated collection loss	(68,981)	(115,227)
Less: amounts designated by donors for specific organizations	<u>(20,448)</u>	<u>(60,985)</u>
Total Contributions	<u>967,243</u>	<u>871,334</u>
Other Revenues and Support		
Other cash contributions	1,593	7,518
In-kind revenue	11,500	30,000
Grants	517,946	101,199
Outside agency funding	250,000	300,000
Miscellaneous income	<u>4,289</u>	<u>13,021</u>
Total Other Revenue and Support	<u>785,328</u>	<u>451,738</u>
Net assets released from restrictions	<u>175,405</u>	<u>114,498</u>
Total Revenue and Support Without Donor Restrictions	<u>1,927,976</u>	<u>1,437,570</u>
EXPENSES		
Community Impact Programs		
Community impact	1,846,945	670,277
Prosperity campaign	102,563	100,127
Information and referral	<u>81,969</u>	<u>139,764</u>
Total Program Services	<u>2,031,477</u>	<u>910,168</u>
Support Services		
General and Administrative	202,586	236,344
Resource development	<u>157,724</u>	<u>77,877</u>
Total Support Services	<u>360,310</u>	<u>314,221</u>
Total Expenses	<u>2,391,787</u>	<u>1,224,389</u>
Increase (Decrease) in Net Assets Before Other Changes	(463,811)	213,181
Other Changes		
Investment return, net of expenses	<u>45,189</u>	<u>129,416</u>
Changes in Net Assets Without Donor Restrictions	<u>(418,622)</u>	<u>342,597</u>

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UNITED WAY PASCO COUNTY, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS (continued)
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Changes in Net Assets With Donor Restrictions		
Energy neighbor fund contributions	41,599	29,814
Publix emergency assistance contributions	24,900	34,471
Pasco County emergency assistance contributions	39,926	62,500
Disaster flood relief assistance	71,520	1,546
Sinkhole victim contributions	-	353
Net assets released from restrictions	<u>(175,405)</u>	<u>(114,498)</u>
Changes in Net Assets With Donor Restrictions	<u>2,540</u>	<u>14,186</u>
Increase (decrease) in Net Assets	(416,082)	356,783
Net Assets, beginning of year	<u>2,591,483</u>	<u>2,234,700</u>
Net Assets, end of year	<u><u>\$ 2,175,401</u></u>	<u><u>\$ 2,591,483</u></u>

Read Report of Independent Certified Public Accountants.
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of these financial statements.

**UNITED WAY OF PASCO COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020**

	Program Services			Support Services			Total
	Community Impact	Prosperity Campaign	Information and Referral	Total Program Services	General and Administrative	Resource Development	
Salaries and wages	\$ 102,488	\$ 31,655	\$ 11,375	\$ 145,518	\$ 107,453	\$ 70,141	\$ 323,112
Payroll taxes	8,076	2,494	896	11,466	8,467	5,558	25,491
Employee benefits	18,969	5,928	2,371	27,268	19,561	12,448	59,277
Total salaries and related expenses	129,533	40,077	14,642	184,252	135,481	88,147	407,880
Base allocations	1,000,000	-	-	1,000,000	-	-	1,000,000
Operation Feed Pasco County grants	342,504	-	-	342,504	-	-	342,504
Emergency assistance	244,028	-	-	244,028	-	-	244,028
Energy neighbor fund allocations	53,069	-	-	53,069	-	-	53,069
Disaster flood relief assistance	20,889	-	-	20,889	-	-	20,889
Contract services	-	32,053	64,107	96,160	-	-	96,160
Printing and postage	667	-	-	667	140	24,527	25,334
Travel and meetings	631	9,054	-	9,685	805	4,246	14,736
Professional fees	518	-	1,625	2,143	15,567	-	17,710
Office supplies	144	4,271	-	4,415	6,864	-	11,279
Telephone and utilities	7,820	2,444	978	11,242	8,065	5,132	24,439
Minor equipment costs	15,768	10,893	-	26,661	16,067	20,216	62,944
Insurance	4,937	1,543	617	7,097	5,092	3,240	15,429
Occupancy expense	-	1,728	-	1,728	3,750	-	5,478
Payments to affiliates	12,898	-	-	12,898	-	1,592	14,490
Meetings and seminars	84	500	-	584	1,141	574	2,299
Donated goods and services	11,500	-	-	11,500	-	-	11,500
Pledge processing expense	-	-	-	-	-	5,999	5,999
Other	1,955	-	-	1,955	162	4,051	6,168
Total expenses before interest and depreciation	1,846,945	102,563	81,969	2,031,477	193,134	157,724	2,382,335
Interest	-	-	-	-	2,183	-	2,183
Depreciation	-	-	-	-	7,269	-	7,269
Total expenses	\$ 1,846,945	\$ 102,563	\$ 81,969	\$ 2,031,477	\$ 202,586	\$ 157,724	\$ 2,391,787

Read Report of Independent Certified Public Accountants.
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**UNITED WAY OF PASCO COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019**

	Program Services				Support Services			Total
	Community Impact	Prosperity Campaign	Information and Referral	Total Program Services	General and Administrative	Resource Development	Support Services	
Salaries and wages	\$ 98,383	\$ 28,833	\$ 26,293	\$ 153,509	\$ 68,954	\$ 40,443	\$ 109,397	\$ 262,906
Payroll taxes	8,824	2,575	2,349	13,748	6,177	1,694	7,871	21,619
Employee benefits	9,895	2,895	2,632	15,422	6,316	4,578	10,894	26,316
Total salaries and related expenses	117,102	34,303	31,274	182,679	81,447	46,715	128,162	310,841
Outside agency allocations	281,250	-	18,750	300,000	-	-	-	300,000
Other community impact allocations	105,000	-	-	105,000	-	-	-	105,000
Emergency assistance	42,914	-	-	42,914	-	-	-	42,914
Energy neighbor fund allocations	34,877	-	-	34,877	-	-	-	34,877
Disaster flood relief assistance	39,512	-	-	39,512	-	-	-	39,512
Contract services	-	28,008	65,361	93,369	-	-	-	93,369
Printing and postage	2,852	3,396	3,024	9,272	18,783	2,378	21,161	30,433
Travel and meetings	1,821	15,298	310	17,429	2,178	2,029	4,207	21,636
Professional fees	34	-	20,219	20,253	22,024	-	22,024	42,277
Office supplies	137	2,839	-	2,976	4,349	109	4,458	7,434
Telephone and utilities	-	1,268	-	1,268	22,214	312	22,526	23,794
Minor equipment costs	8,873	10,910	826	20,609	25,508	535	26,043	46,652
Insurance	-	-	-	-	15,130	-	15,130	15,130
Occupancy expense	-	2,016	-	2,016	5,149	-	5,149	7,165
Payments to affiliates	-	-	-	-	23,531	-	23,531	23,531
Meetings and seminars	612	186	-	798	146	451	597	1,395
Donated goods and services	30,000	-	-	30,000	-	-	-	30,000
Pledge processing expense	-	-	-	-	-	9,029	9,029	9,029
Bad debt	-	-	-	-	-	14,996	14,996	14,996
Other	3,658	922	-	4,580	6,777	670	7,447	12,027
Total expenses before interest and depreciation	668,642	99,146	139,764	907,552	227,236	77,224	304,460	1,212,012
Interest	-	-	-	-	5,839	-	5,839	5,839
Depreciation	1,635	981	-	2,616	3,269	653	3,922	6,538
Total expenses	\$ 670,277	\$ 100,127	\$ 139,764	\$ 910,168	\$ 236,344	\$ 77,877	\$ 314,221	\$ 1,224,389

Read Report of Independent Certified Public Accountants.
The accompanying notes are an integral part of these financial statements.

UNITED WAY PASCO COUNTY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (416,082)	\$ 356,783
<i>Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:</i>		
Depreciation	7,269	6,538
Bad debt expense	-	14,996
Unrealized (gain) loss on investments	55,880	71,669
Collection loss expense	-	115,227
(Gain) Loss on disposal of equipment	-	517
(Increase) decrease in pledges receivable	2,587	(14,512)
(Increase) decrease in grants receivable	(84,167)	17,581
(Increase) decrease in prepaid expenses	16,737	(14,572)
Increase (decrease) in accounts payable and accrued liabilities	(39,889)	33,352
Increase (decrease) in deferred grant revenue	289,747	-
Increase (decrease) in allocations payable to partner agencies	250,000	(763,127)
Increase (decrease) in allocations payable to outside agencies	-	(70,000)
Increase (decrease) in allocations payable to special community impact	(100,000)	54,942
Increase (decrease) in designated contributions payable	(1,291)	729
 Total Adjustments	 396,873	 (546,660)
 Net Cash Provided (Used) by Operating Activities	 (19,209)	 (189,877)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Cash payments for the purchase of property and equipment	(4,983)	(7,182)
Proceeds from sale of investments	325,000	606,059
Purchase of investments and reinvestment of interest	(100,887)	(324,222)
Proceeds from Paycheck Protection Program loan	79,200	-
Proceeds from investment in affordable housing	-	190,989
 Net Cash Provided (Used) by Investing Activities	 298,330	 465,644
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Net borrowings (payments) on line of credit	(125,000)	(149,704)
 Net Cash Provided by (Used In) Noncapital Financing Activities	 (125,000)	 (149,704)
 Net increase (decrease) in cash and cash equivalents	154,121	126,063
 Cash and cash equivalents, beginning of year	 354,330	 228,267
 Cash and cash equivalents, end of year	 \$ 508,451	 \$ 354,330
 Supplemental Disclosures of Non-Cash Investing Activities		
Cash paid for interest expense	\$ 2,183	\$ 5,839
Retirement of fully depreciated property and equipment	\$ (21,679)	\$ (179,170)

Read Report of Independent Certified Public Accountants.
The accompanying notes are an integral part
of these financial statements.

UNITED WAY OF PASCO COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE A – DESCRIPTION OF ORGANIZATION

United Way of Pasco County, Inc. (the Organization) is a not-for-profit organization governed by a volunteer board of directors. The Organization's mission is to improve peoples' lives in Pasco County by identifying the most important health and human service needs, advocating and developing resources and partnerships to address those needs, and producing measurable results. The Organization is dedicated to helping people invest resources to make the greatest difference in meeting identified human needs in their community. The Organization raises funds from individuals and corporations in the Pasco County, Florida area that are distributed to health and human service agencies (i.e. partner agencies).

The Organization achieves its mission through Community Impact as follows:

Community Impact involves bringing diverse people and resources together to address the most urgent issues facing our community. Through unique partnerships and approaches, the Organization mobilizes resources beyond the dollars that are pledged through fund-raising efforts.

- **Community Impact:** The allocation of funds to partner and other agencies enables the Organization to create sustained changes in lives and create meaningful and tangible solutions for the needs of our community.
- **Prosperity Campaign:** A free tax preparation assistance service available to low income families in Pasco County providing education on the benefits of the Earned Income Tax Credit and other tax credits available to them. The initiative aims to increase the economic success of low-income working families by linking them to effective asset-building strategies.
- **Information and Referral:** Provides information, referral, and advocacy services to callers through the 24/7 2-1-1 helpline.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Recent Accounting Pronouncement

The Organization has adopted Accounting Standards Update (ASU) No. 2014-09 – Revenue from Contracts with Customers (Topic 606), as amended as management believes the standard improves the usefulness and understandability of the Organization's financial reporting.

Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

Read Report of Independent Certified Public Accountants.

UNITED WAY OF PASCO COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations, including restricted contributions whose restrictions are met in the same reporting period.

Designations of net assets without donor restrictions are summarized as follows:

Invested in property and equipment is equal to the net book value of property and equipment.

Operating reserves are to be used within guidelines established by the board of directors. The general purpose of the fund is to help ensure the long-term financial stability of the Organization and position it to respond to varying economic conditions and changes affecting the Organization's financial position and conditions of the Organization's non-profit partners.

Designated for endowment is the level of investments designated by the board of directors to earn interest and appreciation with the long-term goal of growth.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations:

- may or will be met, either by actions of the Organization and/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 activities as net assets released from restrictions.
- are maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Cash and Cash Equivalents

The Organization considers currency on hand, demand deposits and money market funds as cash for purposes of the Statement of Cash Flows.

Grants Receivable

Grants receivable result from services which have been provided pursuant to the Organization's grants, but for which reimbursement has not yet been received at June 30, 2020. No allowance was set up for these grants as any amounts determined unallowable by the grantor are deducted from revenue upon notification of the disallowance. No material amounts were subsequently disallowed with respect to the amounts recorded at June 30, 2020.

Read Report of Independent Certified Public Accountants.

UNITED WAY OF PASCO COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Annual Fundraising, Contributions and Allowance for Uncollectible Pledges

The Organization conducts year-round fundraising activities via direct solicitation to individuals and corporate contributors. Contributions received, including unconditional promises to give, are recorded as unrestricted or restricted depending on the existence or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire or are otherwise satisfied in the fiscal year in which the contributions are recognized.

The allowance for uncollectible pledges is computed based upon a three-year historical average adjusted by management estimates of current economic factors, applied to individual campaigns, including donor designations.

Designations

Pledges received which are designated to a specific agency or to another United Way organization are not recorded as campaign revenue. These designations are recorded as a liability when the promise to give is received, net of an allowance for uncollectible pledges.

Government Contracts

Revenues from contracts are recorded based upon terms of the agreements which generally provide that revenues are earned when the allowable costs of the specific grant provisions have been incurred. Revenues are subject to audit by the agency and, if the examination results in a disallowance of any expenditure, repayment could be required. Management believes that all moneys have been earned as of June 30, 2020 and 2019.

Property and Equipment

Property and equipment are recorded at cost or, in the case of donated items used in operations, at fair value on the date received. Acquisitions of property and equipment in excess of \$2,500 that provide a long-term benefit are capitalized.

Depreciation of property and equipment is provided for by the use of the straight-line method over the estimated useful lives of each asset – building and building improvements, 35-39 years, and furniture and equipment, 3-10 years. Property and equipment and accumulated depreciation are relieved upon retirement or sale and the related gain or loss is included in the statement of activities and changes in net assets.

Donated Materials and Services

The Organization records various types of in-kind contributions. Contributions of goods and property are recognized at fair value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property or inventory.

Donated services are recorded at their approximate fair value if they create or enhance non-financial assets, are of a specialized nature, are provided by an individual possessing those skills, and would have been purchased if not donated.

Read Report of Independent Certified Public Accountants.

UNITED WAY OF PASCO COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value of Financial Instruments

Professional standards require disclosure of an estimate of fair value of certain financial instruments. Unless otherwise disclosed in the notes to the financial statements, the carrying values of financial instruments, including cash, receivables, and other short-term assets and liabilities, approximate fair value.

Concentration of Credit Risk

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of cash and cash equivalents and investments. The Organization places its deposits with high quality, credit-worthy financial institutions and investment companies. Accounts at financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The amount in excess of the FDIC limit totaled \$321,977 and \$174,585 for the years ended June 30, 2020 and 2019, respectively. The Organization reviews its cash positions to minimize its exposure and mitigate its risk of loss.

Concentration of Income Source

For the years ended June 30, 2020 and 2019, the Organization received approximately 71% and 77%, respectively, of its campaign contributions from a single source for approximately 39% and 56%, respectively of the Organization's total revenue.

Income Taxes

The Organization is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and similar state provisions. The Organization is treated as a public supported organization, and not as a private foundation. Accordingly, no provision for income taxes has been reflected in the accompanying financial statements. The Organization accounts for uncertain tax positions, if any, in accordance with ASC Section 740.

Management is not aware of any activities that would jeopardize the Organization's tax-exempt status. The Organization is not aware of any tax positions that it has taken that are subject to a significant degree of uncertainty. The Organization believes it is no longer subject to income tax examinations for fiscal years ending prior to June 30, 2017.

Allocations

Allocation expense is recognized when the commitment is made to pay allocations to participating agencies.

Functional Allocation of Expenses

Expenses are shown by natural expense classification and function in the accompanying statement of functional expenses. Expenses that are attributable to more than one program or supporting function are allocated on a reasonable basis that is consistently applied. Allocations are based on direct usage or management's estimate of the benefit derived by each activity. Management's estimates may be based on factors such as time and effort, square footage, clients served, or any other reasonable basis. The expenses that are allocated on the basis of estimates of time and effort are salaries, employee benefits and payroll taxes. Facilities, maintenance, insurance, utilities and depreciation are allocated on a square footage basis.

Reclassification

Certain 2019 amounts have been reclassified to conform to the 2020 presentation.

Read Report of Independent Certified Public Accountants.

UNITED WAY OF PASCO COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE C – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the statement of financial position date. These financial assets are required to be reduced by those not available for general use within one year of the statement of financial position date:

	<u>2020</u>	<u>2019</u>
Financial assets:		
Cash and cash equivalents	\$ 508,451	\$ 354,330
Investments	1,684,097	1,964,090
Grant receivable	84,167	-
Pledges receivable	<u>360,121</u>	<u>362,708</u>
Financial assets, at year end	2,636,836	2,681,128
Less those unavailable for general expenditure within one year due to:		
Restricted by donors with purpose restrictions	(128,528)	(125,988)
Board designated for endowment	<u>(323,127)</u>	<u>(318,921)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,185,181</u>	<u>\$ 2,236,219</u>

The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due and strives to operate within a prudent range of financial soundness and stability, maintain adequate liquid assets to fund near-term operating needs, and maintain sufficient reserves to provide reasonable assurance that any long-term obligations will be discharged. Financial assets in excess of daily cash requirements may be invested in money market funds or other short-term investments.

The Organization receives grants and contributions restricted by donors. The Organization considers grants and contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures.

NOTE D – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Professional standards establish a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under professional standards are described below:

Level 1

- Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Read Report of Independent Certified Public Accountants.

**UNITED WAY OF PASCO COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE D – INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

Level 2

- Inputs to the valuation methodology include:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3

- Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable input and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for the assets measured at fair value:

Investments in cash alternatives, equities, and mutual funds are valued at the closing price on the active market which the individual securities are traded.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value at June 30, 2020:

	Fair Value	Level1 Inputs	Level 2 Inputs	Level 3 Inputs
Equity Securities	\$ 258,810	\$ 258,810	\$ -	\$ -
Mutual Funds	1,343,126	1,343,126	-	-
Money Markets	82,161	82,161	-	-
Total Investments	\$ 1,684,097	\$ 1,684,097	\$ -	\$ -

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value at June 30, 2019:

	Fair Value	Level1 Inputs	Level 2 Inputs	Level 3 Inputs
Equity Securities	\$ 249,063	\$ 249,063	\$ -	\$ -
Mutual Funds	1,647,434	1,647,434	-	-
Money Markets	67,593	67,593	-	-
Total Investments	\$ 1,964,090	\$ 1,964,090	\$ -	\$ -

Read Report of Independent Certified Public Accountants.

UNITED WAY OF PASCO COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE D – INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

Investment return consists of the following at June 30,:

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ 65,051	\$ 103,877
Realized gains (losses)	46,018	107,451
Unrealized gains (losses)	<u>(55,880)</u>	<u>(71,669)</u>
	55,189	139,659
Less: investment expenses	<u>(10,000)</u>	<u>(10,243)</u>
	<u>\$ 45,189</u>	<u>\$ 129,416</u>

NOTE E – PROPERTY AND EQUIPMENT

	<u>2020</u>	<u>2019</u>
Furniture, fixtures and equipment	\$ 37,056	\$ 53,752
Land	62,870	62,870
Building	<u>189,128</u>	<u>189,128</u>
Total property and equipment	289,054	305,750
Less accumulated depreciation	<u>(78,771)</u>	<u>(93,181)</u>
	<u>\$ 210,283</u>	<u>\$ 212,569</u>

NOTE F – PAYCHECK PROTECTION PROGRAM

During the year ended June 30, 2020, the Organization obtained a Paycheck Protection Program loan under the CARES Act in the amount of \$79,200 to help keep the workforce employed during the COVID-19 crisis. The loan has a maturity of 2 years, an interest rate of 1% and initial loan payments are deferred for ten months. The loan can be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities. Management intends to fully comply with the forgiveness provisions and expects the loan to be forgiven in fiscal year 2021. Upon notification of forgiveness, the Organization will recognize \$79,200 in grant revenue.

NOTE G – LINE OF CREDIT

During the years ended June 30, 2020 and 2019 the Organization had a line of credit available for \$300,000 at one-month LIBOR Rate plus 2.25%. (2.42% and 4.69% at June 30, 2020 and 2019, respectively) expiring November 29, 2020. There was no outstanding balance at June 30, 2020. \$125,000 was outstanding at June 30, 2019.

Read Report of Independent Certified Public Accountants.

UNITED WAY OF PASCO COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE H – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, 2020 and 2019 relate to assets contributed by donors for specific purposes as follows:

	<u>2020</u>	<u>2019</u>
<i>Purpose Restricted:</i>		
Energy Neighbor Fund	\$ 3,064	\$ 14,534
Publix Emergency Fund	31,912	22,197
Disaster/Flood Relief Assistance	23,519	29,292
Sinkhole Victim Assistance	-	4,466
COVID-19 Assistance	60,870	-
Emergency Financial Assistance	<u>9,163</u>	<u>55,499</u>
 Total net assets with donor restrictions	 <u>\$ 128,528</u>	 <u>\$ 125,988</u>

Net assets of \$175,405 and \$114,498 were released from donor restrictions in satisfaction of program restrictions during the years ended June 30, 2020 and 2019, respectively.

NOTE I – RETIREMENT PLAN AND DEFERRED COMPENSATION

The Organization sponsors a defined contribution plan for the benefit of eligible employees. Employees who have worked full-time for a period of one year are eligible to participate in the plan. During the years ended June 30, 2020 and 2019, the Organization contributed 5% of eligible employees' annual compensation and matched up to 2 ½% of employee annual compensation for employees contributing to the plan. The Organization's contributions to the plan were \$5,045 and \$5,165 for the years ended June 30, 2020 and 2019, respectively.

NOTE J – ENDOWMENT

The Organization has established funds functioning as an endowment (the endowment) for which contributions have been designated for the charitable activities of the Organization and its operations.

Composition and changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2020:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 318,921	\$ -	\$ 318,921
Unrealized loss on endowment funds	(6,192)	-	(6,192)
Investment Income	<u>10,398</u>	<u>-</u>	<u>10,398</u>
Endowment net assets, end of year	<u>\$ 323,127</u>	<u>\$ -</u>	<u>\$ 323,127</u>

Read Report of Independent Certified Public Accountants.

**UNITED WAY OF PASCO COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE J – ENDOWMENT (continued)

Composition and changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 301,370	\$ -	\$ 301,370
Earnings gain on endowment funds	2,406	-	2,406
Investment Income	15,145	-	15,145
Endowment net assets, end of year	<u>\$ 318,921</u>	<u>\$ -</u>	<u>\$ 318,921</u>

Interpretation of Relevant Law

The Board of Directors has interpreted the law as requiring donor restricted net assets in an endowment fund to remain restricted until appropriated for expenditure by the Organization for the donor's intended purpose. In accordance with the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA), the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The purposes of the organization and the donor-restricted endowment fund
- 2) General economic conditions
- 3) The possible effect of inflation and deflation
- 4) The expected total return from income and the appreciation of investments
- 5) Other resources of the organization
- 6) The duration and preservation of the endowment fund

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for the endowment assets that attempt to provide long-term funding for the Organization. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner to achieve the overall target asset allocation of equity, fixed income and cash, minimize risk and maximize return within acceptable guidelines and achieve a competent rate of return.

Spending Policy

The original board designated contributions to the endowment and subsequent contributions are to provide a consistent source of funding for the initiatives and charitable activities of the Organization. The investment management of the endowment is directed toward maximizing the long-term total return of the fund while maintaining prudent fiscal guidelines. No part of the net earnings of the funds shall inure to the benefit of any individual.

Read Report of Independent Certified Public Accountants.

UNITED WAY OF PASCO COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE K – COMMITMENTS

The Organization has an annual contract with Heart of Florida United Way for information and referral services through the 2-1-1 helpline. During the years ended June 30, 2020 and 2019 the Organization paid \$96,160 and \$93,359, respectively for these services. The current contract expires on June 30, 2021.

NOTE L – SUBSEQUENT EVENTS

As a result of the spread of the COVID-19 Coronavirus, economic uncertainties have arisen which are likely to negatively impact revenue and support. The Organization has been responsive to the COVID-19 crisis including providing grants for Operation Feed Pasco. As the Organization continues to evaluate its response and the community's response to COVID-19, there could be additional impact which is unknown at this time.

Management has evaluated subsequent events through September 10, 2020, the date the financial statements were available to be issued.

Read Report of Independent Certified Public Accountants.



**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of
United Way of Pasco County, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of United Way of Pasco County, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 10, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Reeder & Associates, PA

Certified Public Accountants
September 10, 2020

UNITED WAY PASCO COUNTY, INC.
SCHEDULE OF ALLOCATIONS
FOR THE YEAR ENDED JUNE 30, 2020

Agency	Programs	Allocations
ACE Opportunities	Ace Opportunities	\$ 20,000
Bay Area Legal Services	Domestic Violence Victim Long-Term Stabilization Project	15,000
BayCare Behavioral Health	Medical Outpatient Services	15,000
Big Brothers Big Sisters of Tampa Bay	Comprehensive Mentoring Program	21,000
Boys and Girls Club	Summer Success at Chasco Middle School (\$10,000) ; Power Up (\$20,000)	30,000
CARES	Elderly Chore Program, Elderly Homemaker Program	55,000
Caring and Sharing Center for Independent Living	Consumer Equipment & Modification Assistance Program	5,000
Catholic Charities Diocese of St. Pete	Bethany Family Apartments (\$20,000); Pasco Women's Shelter (\$45,000)	65,000
Chapters Health Foundation	The Children's Grief Center of HPH Hospice	15,000
Coalition for the Homeless	Pasco County CoC Homeless Collaborative Project: Housing	80,000
Daystar Hope Center	Other Food	10,000
Deaf and Hard of Hearing	Signing for Everyday Living	38,000
Early Learning Coalition of Pasco/Hernando	Financial Assistance for Families	10,000
Eckerd Youth Alternatives	Eckerd Raising Hope: Room of Hope Pasco	8,000
Feeding America Tampa Bay	Feeding Tampa Bay Mobile Distribution Program	10,000
Feeding Pasco's Elderly	Feeding Pasco's Elderly	20,000
Girl Scouts of West Central Florida	Girl Scouts Leadership Experience	5,000
Good Samaritan Health Clinic of Pasco	Medical and Dental Support Services	32,000
Greater Tampa Bay Boy Scouts	Community Service and Youth Development Through Scouting	5,000
Gulf Coast Jewish Family and Community Services	The Heart Gallery of Pinellas and Pasco	3,000
Habitat for Humanity International	Habitat for Humanity of East and Central Pasco County	15,000
Habitat for Humanity Pinellas and West Pasco	Neighborhood Revitalization Town and Country Villas	23,000
Lighthouse for the Visually Impaired and Blind	Independent Living Skills Program	30,000
Messengers of Hope Mission	Hunger Heroes	25,000
Metropolitan Ministries	Metropolitan Ministries Pasco Outreach and Prevention	25,000
One Community Now	Pack A Sack Food for Kids Program (\$12,500); Bridges out of Poverty (\$17,500)	30,000
Pasco Kids First	Children Impacted by Community Trauma (\$20,000); Transportation for Victims of Trauma (\$5,000)	25,000
Premier Community Health Group	Access to Care	50,000
Restored Hope of Dade City	Financial Services	35,000
Samaritan Project of Zephyrhills	Homelessness Outreach	30,000
Sertoma Hearing and Speech	Children's Hearing Help Program	15,000
Suncoast Epilepsy	Case Management Program	20,000
Suncoast Voices for Children Foundation	The Safe With Family Project	25,000
Sunrise of Pasco	Shelter (\$10,000), Outreach (\$30,000)	40,000
Tampa Metropolitan Area YMCA	Tampa Y Veggie Van and Teen Achievers Programming in East Pasco Collaborative Disability Employment Initiative (\$15,000); Community Supports for Individuals with Intellectual and Development Disabilities (\$15,000)	30,000
The Arc of the Nature Coast	The Thomas Promise Foundation	15,000
Thomas Promise Foundation	Trinity House Transitional Assistance Program	20,000
Trinity Outreach	Rapture (\$7,000); CNA Work Ready (\$8,000)	15,000
Victorious Life Assembly of God (Life Community Center)	YMCA Achievers - Building Teens Capacity to Gain Employment and Financi	10,000
YMCA of Suncoast	Runaway Alternatives Project (RAP House)	50,000
Youth and Family Alternatives		50,000
TOTAL ALLOCATIONS		\$ 1,000,000

Read Report of Independent Certified Public Accountants.