



UNITED WAY OF PASCO COUNTY, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

UNITED WAY OF PASCO COUNTY, INC.

FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

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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, 2019 and 2018, 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. 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 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, 2019 and 2018, 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 Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of outside agency funding allocations and pledge revenue on pages 20-21 are presented for purposes of additional analysis and are 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
November 20, 2019

UNITED WAY PASCO COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018

ASSETS

	2019	2018
Current Assets		
Cash and cash equivalents	\$ 354,330	\$ 228,267
Investments	1,964,090	2,317,596
Affordable housing investment	-	190,989
Pledges receivable, net of allowance for uncollectible pledges of \$115,227 and \$137,627 respectively	362,708	478,419
Grant receivable	-	17,581
Prepaid expenses	30,181	15,609
Total Current Assets	2,711,309	3,248,461
Property and equipment, net of accumulated depreciation of \$93,181 and \$265,296 respectively	212,569	212,442
Total Assets	\$ 2,923,878	\$ 3,460,903

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable and accrued liabilities	\$ 49,769	\$ 16,417
Borrowings under line of credit	125,000	274,704
Allocations payable to partner agencies	-	763,127
Allocations payable to outside agencies	-	70,000
Special community impact allocations payable	136,590	81,648
Designated contributions payable	21,036	20,307
Total Liabilities	332,395	1,226,203
Net Assets		
Without donor restrictions:		
Undesignated	1,078,394	753,475
Invested in property and equipment	212,569	212,442
Board designated for operating reserve	855,611	855,611
Board designated for endowment	318,921	301,370
Total Net Assets Without Donor Restrictions	2,465,495	2,122,898
With donor restrictions:		
Purpose restrictions	125,988	111,802
Total Net Assets	2,591,483	2,234,700
Total Liabilities and Net Assets	\$ 2,923,878	\$ 3,460,903

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, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Changes in Net Assets Without Donor Restrictions		
REVENUE AND SUPPORT		
Contributions		
Total amount raised	\$ 1,047,546	\$ 1,340,716
Less: estimated collection loss	(115,227)	(137,627)
Less: amounts designated by donors for specific organizations	<u>(60,985)</u>	<u>(21,631)</u>
Total Contributions	<u>871,334</u>	<u>1,181,458</u>
Other Revenues and Support		
Other cash contributions	7,518	18,087
In-kind revenue	30,000	43,437
Grants	101,199	96,057
Outside agency funding	300,000	250,000
Miscellaneous income	<u>13,021</u>	<u>8,942</u>
Total Other Revenue and Support	<u>451,738</u>	<u>416,523</u>
Net assets released from restrictions	<u>114,498</u>	<u>161,195</u>
Total Revenue and Support Without Donor Restrictions	<u>1,437,570</u>	<u>1,759,176</u>
EXPENSES		
Community Impact Programs		
Community impact	596,151	558,133
Prosperity campaign	100,127	71,681
Information and referral	<u>139,764</u>	<u>136,006</u>
Total Community Impact	<u>836,042</u>	<u>765,820</u>
Total Community Building Programs	<u>74,126</u>	<u>1,653,391</u>
Total Program Services	<u>910,168</u>	<u>2,419,211</u>
Support Services		
General and Administrative	236,344	256,917
Resource development	<u>77,877</u>	<u>140,926</u>
Total Support Services	<u>314,221</u>	<u>397,843</u>
Total Expenses	<u>1,224,389</u>	<u>2,817,054</u>
Increase (Decrease) in Net Assets Before Other Changes	213,181	(1,057,878)
Other Changes		
Investment return, net of expenses	<u>129,416</u>	<u>162,496</u>
Changes in Net Assets Without Donor Restrictions	<u>342,597</u>	<u>(895,382)</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, 2019 AND 2018

	2019	2018
Changes in Net Assets With Donor Restrictions		
Energy neighbor fund contributions	29,814	35,151
Publix emergency assistance contributions	34,471	36,190
Pasco County emergency assistance contributions	62,500	-
Disaster flood relief assistance	1,546	103,283
Sinkhole victim contributions	353	49,435
Net assets released from restrictions	(114,498)	(161,195)
Changes in Net Assets With Donor Restrictions	14,186	62,864
Increase (decrease) in Net Assets	356,783	(832,518)
Net Assets, beginning of year	2,234,700	3,067,218
Net Assets, end of year	\$ 2,591,483	\$ 2,234,700

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, 2019**

	Program Services				Support Services					
	Community Impact Programs				Community Building Programs	Total Program Services	General and Administrative	Resource Development	Total Support Services	Total
Community Impact	Prosperity Campaign	Information and Referral	Total Community Impact							
Salaries and wages	\$ 52,033	\$ 28,833	\$ 26,293	\$ 107,159	\$ 46,350	\$ 153,509	\$ 68,954	\$ 40,443	\$ 109,397	\$ 262,906
Payroll taxes	4,648	2,575	2,349	9,572	4,176	13,748	6,177	1,694	7,871	21,619
Employee benefits	5,263	2,895	2,632	10,790	4,632	15,422	6,316	4,578	10,894	26,316
Total salaries and related expenses	61,944	34,303	31,274	127,521	55,158	182,679	81,447	46,715	128,162	310,841
Outside agency allocations	281,250	-	18,750	300,000	-	300,000	-	-	-	300,000
Other community impact allocations	105,000	-	-	105,000	-	105,000	-	-	-	105,000
Emergency assistance	42,914	-	-	42,914	-	42,914	-	-	-	42,914
Energy neighbor fund allocations	34,877	-	-	34,877	-	34,877	-	-	-	34,877
Disaster flood relief assistance	39,512	-	-	39,512	-	39,512	-	-	-	39,512
Printing and promotional	-	3,196	3,024	6,220	2,852	9,072	17,783	2,378	20,161	29,233
Postage	-	200	-	200	-	200	1,000	-	1,000	1,200
Travel and entertainment	-	15,298	310	15,608	1,821	17,429	2,178	2,029	4,207	21,636
Professional fees	-	28,008	85,580	113,588	34	113,622	22,024	-	22,024	135,646
Office supplies	-	2,839	-	2,839	137	2,976	4,349	109	4,458	7,434
Telephone and utilities	-	1,268	-	1,268	-	1,268	22,214	312	22,526	23,794
Equipment rental and maintenance	-	10,910	826	11,736	8,873	20,609	25,508	535	26,043	46,652
Insurance	-	-	-	-	-	-	15,130	-	15,130	15,130
Occupancy expense	-	2,016	-	2,016	-	2,016	5,149	-	5,149	7,165
Payments to affiliates	-	-	-	-	-	-	23,531	-	23,531	23,531
Meetings and seminars	-	186	-	186	612	798	146	451	597	1,395
Donated goods	30,000	-	-	30,000	-	30,000	-	-	-	30,000
Pledge processing expense	-	-	-	-	-	-	-	9,029	9,029	9,029
Bad debt	-	-	-	-	-	-	-	14,996	14,996	14,996
Other	-	922	-	922	3,658	4,580	6,777	670	7,447	12,027
Total expenses before interest and depreciation	595,497	99,146	139,764	834,407	73,145	907,552	227,236	77,224	304,460	1,212,012
Interest	-	-	-	-	-	-	5,839	-	5,839	5,839
Depreciation	654	981	-	1,635	981	2,616	3,269	653	3,922	6,538
Total expenses	\$ 596,151	\$ 100,127	\$ 139,764	\$ 836,042	\$ 74,126	\$ 910,168	\$ 236,344	\$ 77,877	\$ 314,221	\$ 1,224,389

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, 2018**

	<u>Program Services</u>				<u>Support Services</u>					
	<u>Community Impact Programs</u>			<u>Total Community Impact</u>	<u>Community Building Programs</u>	<u>Total Program Services</u>	<u>General and Admin- istrative</u>	<u>Resource Develop- ment</u>	<u>Total Support Services</u>	<u>Total</u>
<u>Community Impact</u>	<u>Prosperity Campaign</u>	<u>Information and Referral</u>	<u>Community Impact</u>							
Salaries and wages	\$ 1,923	\$ 28,769	\$ 33,879	\$ 64,571	\$ 38,031	\$ 102,602	\$ 103,556	\$ 65,926	\$ 169,482	\$ 272,084
Payroll taxes	-	2,073	2,588	4,661	3,063	7,724	8,668	4,672	13,340	21,064
Employee benefits	-	3,716	4,247	7,963	4,955	12,918	13,449	9,025	22,474	35,392
Total salaries and related expenses	1,923	34,558	40,714	77,195	46,049	123,244	125,673	79,623	205,296	328,540
Base allocations	-	-	-	-	1,593,000	1,593,000	-	-	-	1,593,000
Outside agency allocations	250,000	-	-	250,000	-	250,000	-	-	-	250,000
Other community impact allocations	56,658	-	-	56,658	-	56,658	-	-	-	56,658
Emergency assistance	77,953	-	-	77,953	-	77,953	-	-	-	77,953
Energy neighbor fund allocations	17,985	-	-	17,985	-	17,985	-	-	-	17,985
Disaster flood relief assistance	52,745	-	-	52,745	-	52,745	-	-	-	52,745
Sinkhole victim assistance	45,322	-	-	45,322	-	45,322	-	-	-	45,322
Printing and promotional	4,396	5,311	2,869	12,576	2,506	15,082	425	261	686	15,768
Postage	-	-	-	-	-	-	1,010	-	1,010	1,010
Travel and entertainment	2,881	16,659	259	19,799	4,444	24,243	2,107	3,336	5,443	29,686
Professional fees	-	-	91,546	91,546	4,798	96,344	14,393	-	14,393	110,737
Office supplies	3,621	1,973	54	5,648	33	5,681	3,394	430	3,824	9,505
Telephone and utilities	257	660	-	917	172	1,089	25,096	343	25,439	26,528
Equipment rental and maintenance	85	9,504	-	9,589	-	9,589	26,814	4,575	31,389	40,978
Insurance	-	-	-	-	-	-	10,401	-	10,401	10,401
Occupancy expense	-	904	-	904	-	904	4,266	-	4,266	5,170
Payments to affiliates	-	-	-	-	-	-	19,381	-	19,381	19,381
Meetings and seminars	35	-	40	75	175	250	352	50	402	652
Donated goods and services	43,185	252	-	43,437	-	43,437	-	-	-	43,437
Pledge processing expense	-	-	-	-	-	-	-	9,903	9,903	9,903
Bad debt	-	-	-	-	-	-	-	40,176	40,176	40,176
Other	120	-	40	160	1,005	1,165	11,335	1,260	12,595	13,760
Total expenses before interest and depreciation	557,166	69,821	135,522	762,509	1,652,182	2,414,691	244,647	139,957	384,604	2,799,295
Interest	-	-	-	-	-	-	7,726	-	7,726	7,726
Depreciation	967	1,860	484	3,311	1,209	4,520	4,544	969	5,513	10,033
Total expenses	\$ 558,133	\$ 71,681	\$ 136,006	\$ 765,820	\$ 1,653,391	\$ 2,419,211	\$ 256,917	\$ 140,926	\$ 397,843	\$ 2,817,054

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, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 356,783	\$ (832,518)
<i>Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:</i>		
Depreciation	6,538	10,033
Bad debt expense	14,996	40,176
Unrealized (gain) loss on investments	71,669	(59,569)
Collection loss expense	115,227	137,627
Loss on disposal of equipment	517	-
(Increase) decrease in pledges receivable	(14,512)	(144,162)
(Increase) decrease in grants receivable	17,581	6,795
(Increase) decrease in prepaid expenses	(14,572)	4,852
Increase (decrease) in accounts payable and accrued liabilities	33,352	(4,856)
Increase (decrease) in allocations payable to partner agencies	(763,127)	731,869
Increase (decrease) in allocations payable to outside agencies	(70,000)	(61,001)
Increase (decrease) in allocations payable to special community impact	54,942	81,648
Increase (decrease) in designated contributions payable	729	20,307
	(546,660)	763,719
Total Adjustments		
Net Cash Provided (Used) by Operating Activities	(189,877)	(68,799)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash payments for the purchase of property and equipment	(7,182)	-
Proceeds from sale of investments	606,059	35,000
Purchase of investments and reinvestment of interest	(324,222)	(102,927)
Proceeds from investment in affordable housing	190,989	(190,989)
	465,644	(258,916)
Net Cash Provided (Used) by Investing Activities		
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Net borrowings (payments) on line of credit	(149,704)	274,704
	(149,704)	274,704
Net Cash Provided by (Used In) Noncapital Financing Activities		
Net increase (decrease) in cash and cash equivalents	126,063	(53,011)
Cash and cash equivalents, beginning of year	228,267	281,278
Cash and cash equivalents, end of year	\$ 354,330	\$ 228,267
Supplemental Disclosures of Non-Cash Investing Activities		
Cash paid for interest expense	\$ 5,839	\$ 7,726
Retirement of fully depreciated property and equipment	\$ (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, 2019 AND 2018**

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 and Community Building 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.

Community Building is the process of mobilizing communities to improve people's lives. It engages diverse stakeholders, including residents and others, in sustained, collaborative, strategic efforts to strengthen and improve community conditions.

Community Building includes the following programs:

- **Community Investment:** Program utilizing volunteers and staff to review partner agencies and programs to make funding recommendations based on understanding of community needs.
- **Community Service:** Seminars and education programs provided to the community including topics such as Board Development for Nonprofit Organizations; training for staff and volunteers regarding nonprofit management issues; disaster relief; and gifts-in-kind coordination.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Recent Accounting Pronouncement

In August 2016, the FASB issued ASU 2016-14 (the ASU), *Not-for-Profit Entities (Topic 958)*, to make improvements to a not-for-profit entity's (NFPs) current financial reporting on net assets, expenses, liquidity, financial performance and cash flows. These improvements are intended to provide more useful information to donors, grantors, creditors and other users of a NFPs financial statements. The ASU is effective for fiscal years beginning after December 15, 2017 and the Organization has adopted the ASU for the fiscal year ended June 30, 2019.

Read Report of Independent Certified Public Accountants.

UNITED WAY OF PASCO COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (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.

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.
- be 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.

Use of Estimates

The preparation of financial statements in conformity with US generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of increases or decreases in net assets during the reporting period. Accordingly, actual results could 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.

Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Cash and Cash Equivalents - the carrying amount approximates fair value due to the short-term maturity of these instruments.

Investments - the fair value is based on quoted market value with unrealized gains and losses included in the Statement of Activities and Changes in Net Assets.

Allowance for Uncollectible Pledges

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

Read Report of Independent Certified Public Accountants.

**UNITED WAY OF PASCO COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 \$174,585 at June 30, 2019. At June 30, 2018 no amounts exceeded the FDIC limit. The Organization has not experienced any losses on its cash and cash equivalents. The Organization reviews its cash positions to minimize its exposure and mitigate its risk of loss.

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 \$1,000 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. Depreciation expense totaled \$6,538 and \$10,033 for the years ended June 30, 2019 and 2018, respectively.

Revenues

Revenues consist primarily of pledges made during annual fund-raising campaigns. All revenues are considered to be available for unrestricted use unless specifically restricted by the donor. Pledge income is recognized when unconditional pledge commitments are received and allowances are provided for amounts estimated to be uncollectible.

Concentration of Income Source

For the years ended June 30, 2019 and 2018, the Organization received approximately 77% and 73%, respectively, of its campaign contributions from a single source for approximately 56% and 45%, 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, 2016.

Allocations

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

Read Report of Independent Certified Public Accountants.

**UNITED WAY OF PASCO COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 2018 amounts have been reclassified to conform to the 2019 presentation.

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>2019</u>	<u>2018</u>
Financial assets:		
Cash and cash equivalents	\$ 354,330	\$ 228,267
Investments	1,964,090	2,317,596
Affordable Housing Investment	-	190,989
Grant receivable	-	17,581
Pledges receivable	<u>362,708</u>	<u>478,419</u>
Financial assets, at year end	2,681,128	3,232,852
Less those unavailable for general expenditure within one year due to:		
Restricted by donors with purpose restrictions	(125,988)	(111,802)
Board designated for endowment	<u>(318,921)</u>	<u>(301,370)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,236,219</u>	<u>\$ 2,819,680</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.

Read Report of Independent Certified Public Accountants.

UNITED WAY OF PASCO COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE D – PLEDGES RECEIVABLE

The Organization's management reviews amounts related to pledges outstanding on an annual basis and determines amounts that should be written off. For the years ended June 30, 2019 and 2018 the Organization has provided an allowance for doubtful accounts of \$115,227 and \$137,627, respectively. During the years ended June 30, 2019 and 2018 the Organization expensed bad debt of \$14,966 and \$40,176, respectively.

NOTE E – AFFORDABLE HOUSING INVESTMENT

During the year ended June 30, 2019 the Affordable Housing Investment matured with no further monies invested. At June 30, 2018 the investment balance was \$190,989.

NOTE F – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Professional standards establishes 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.

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.

Read Report of Independent Certified Public Accountants.

**UNITED WAY OF PASCO COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE F – INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

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	<u>\$ 1,964,090</u>	<u>\$ 1,964,090</u>	<u>\$ -</u>	<u>\$ -</u>

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value at June 30, 2018:

	Fair Value	Level1 Inputs	Level 2 Inputs	Level 3 Inputs
Equity Securities	\$ 960,142	\$ 960,142	\$ -	\$ -
Mutual Funds	1,321,312	1,321,312	-	-
Money Markets	36,142	36,142	-	-
Total Investments	<u>\$ 2,317,596</u>	<u>\$ 2,317,596</u>	<u>\$ -</u>	<u>\$ -</u>

Investment return consists of the following at June 30,:

	<u>2019</u>	<u>2018</u>
Interest and dividends	\$ 103,877	\$ 68,871
Realized gains (losses)	107,451	45,490
Unrealized gains (losses)	<u>(71,669)</u>	<u>59,569</u>
	139,659	173,930
Less: investment expenses	<u>(10,243)</u>	<u>(11,434)</u>
	<u>\$ 129,416</u>	<u>\$ 162,496</u>

NOTE G – PROPERTY AND EQUIPMENT

	<u>2019</u>	<u>2018</u>
Furniture, fixtures and equipment	\$ 53,752	\$ 225,740
Land	62,870	62,870
Building	<u>189,128</u>	<u>189,128</u>
Total property and equipment	305,750	477,738
Less accumulated depreciation	<u>(93,181)</u>	<u>(265,296)</u>
	<u>\$ 212,569</u>	<u>\$ 212,442</u>

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**UNITED WAY OF PASCO COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE H – LEASES

The Organization leases certain office equipment under a long-term lease. Rental expense for the years ended June 30, 2019 and 2018 was \$2,400 and \$2,280, respectively. Future minimum lease payments under noncancellable operating leases as of June 30, 2019 were as follows:

2020 \$ 950

NOTE I – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions on net assets at June 30, 2019 and 2018 relate to assets contributed by donors for specific purposes as follows:

	Energy Neighbor Fund	Publix Emergency Fund	Disaster Flood Relief Assistance	Sinkhole Victim Assistance	Emergency Financial Assistance	Total
Balance at June 30, 2017	\$ 2,431	\$ 29,787	\$ 16,720	\$ -	\$ -	\$ 48,938
Contributions and grants	35,151	36,190	103,283	49,435	-	224,059
Net assets released from restrictions	(17,985)	(45,143)	(52,745)	(45,322)	-	(161,195)
Balance at June 30, 2018	\$ 19,597	\$ 20,834	\$ 67,258	\$ 4,113	\$ -	\$ 111,802
Contributions and grants	29,814	34,471	1,546	353	62,500	128,684
Net assets released from restrictions	(34,877)	(33,108)	(39,512)	-	(7,001)	(114,498)
Balance at June 30, 2019	\$ 14,534	\$ 22,197	\$ 29,292	\$ 4,466	\$ 55,499	\$ 125,988

NOTE J – 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, 2019 and 2018, 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 \$5,165 and \$16,366 for the years ended June 30, 2019 and 2018, respectively.

NOTE K – 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. In accordance with professional standards, the Organization provides the composition of the endowment by net asset class and the endowment related activities for the years ended June 30, 2019 and 2018. No change in the net asset classification of the endowment fund is required.

Read Report of Independent Certified Public Accountants.

**UNITED WAY OF PASCO COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE K – ENDOWMENT (continued)

Endowment Net Asset Composition by Type of Fund as of June 30, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Board designated Endowment funds	<u>\$ 318,921</u>	<u>\$ -</u>	<u>\$ 318,921</u>
Total funds	<u>\$ 318,921</u>	<u>\$ -</u>	<u>\$ 318,921</u>

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	<u>15,145</u>	<u>-</u>	<u>15,145</u>
Endowment net assets, end of year	<u>\$ 318,921</u>	<u>\$ -</u>	<u>\$ 318,921</u>

Endowment Net Asset Composition by Type of Fund as of June 30, 2018:

	Without Donor Restrictions	With Donor Restrictions	Total
Board designated Endowment funds	<u>\$ 301,370</u>	<u>\$ -</u>	<u>\$ 301,370</u>
Total funds	<u>\$ 301,370</u>	<u>\$ -</u>	<u>\$ 301,370</u>

Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2018:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 277,728	\$ -	\$ 277,728
Earnings gain on endowment funds	15,033	-	15,033
Investment Income	<u>8,609</u>	<u>-</u>	<u>8,609</u>
Endowment net assets, end of year	<u>\$ 301,370</u>	<u>\$ -</u>	<u>\$ 301,370</u>

Read Report of Independent Certified Public Accountants.

**UNITED WAY OF PASCO COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE K – ENDOWMENT (continued)

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.

NOTE L – LINE OF CREDIT

During the years ended June 30, 2019 and 2018 the Organization had a line of credit available for \$300,000 at one month LIBOR Rate plus 2.25%. (4.69% and 4.34% at June 30, 2019 and 2018, respectively) expiring November 29, 2019. There were outstanding balances at June 30, 2019 and 2018 totaling \$125,000 and \$274,704, respectively.

Read Report of Independent Certified Public Accountants.

**UNITED WAY OF PASCO COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE M – DONATED GOODS AND SERVICES

The Organization receives a significant variety of contributed services. Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets 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 and equipment.

A number of volunteers have donated significant amounts of time to the Organization's campaigns and programs for which no amounts are reflected in the financial statements. These services are not reflected in the financial statements because the contributed services did not meet the criteria for recognition as previously described.

Donated goods and services received by the Organization were used in the Community Impact Program as follows:

	<u>2019</u>	<u>2018</u>
Program media services	\$ -	\$ 5,990
School supplies	30,000	35,945
Other program supplies	<u>-</u>	<u>1,502</u>
	<u>\$ 30,000</u>	<u>\$ 43,437</u>

NOTE N – OUTSIDE AGENCY FUNDING ALLOCATIONS

During the years ended June 30, 2019 and 2018 Pasco County Government (the County) allowed Pasco County Utilities customers to round up their monthly utility payment to the next whole dollar as a tax-deductible charitable donation. The funds collected were donated to the Organization for distribution among not-for-profit organizations providing needed human services to the citizens of Pasco County.

NOTE O – COMMITMENTS

During the year ended June 30, 2016 the Organization entered a 3 year contract with Heart of Florida United Way for information and referral services through the 2-1-1 helpline. During the years ended June 30, 2019 and 2018 the Organization paid \$93,359 and \$91,546, respectively for these services. When the contract expired on June 30, 2019 the Organization signed an agreement with Heart of Florida United Way for an additional one year period of service.

NOTE P – PARTNER AGENCY ALLOCATIONS

During the year ended June 30, 2019 the board of directors approved a restructuring of the process to allocate amounts to partner agencies by consolidating the outside agency and base allocations. To accomplish the consolidation, the payment cycle changes from a July 1 – June 30 to October 1 – September 30th.

NOTE Q – SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 20, 2019, the date the financial statements were available to be issued.

Read Report of Independent Certified Public Accountants.

SUPPLEMENTAL SCHEDULES

**UNITED WAY PASCO COUNTY, INC.
SCHEDULE OF OUTSIDE AGENCY FUNDING ALLOCATIONS
FOR THE YEAR ENDED JUNE 30, 2019**

Agency	Program	Program Allocation
BayCare Behavioral Health	Medical Outpatient Services	\$ 6,250
Big Brothers Big Sisters of Tampa Bay	Comprehensive Mentoring Program	3,750
Boys & Girls Club	Summer Success at Chasco Middle School	8,750
Brain Expansions Scholastic Training	Health Career Promotion, Exporation and Enrichment for Youth	6,250
Coalition for the Homeless of Pasco & Hernando	Coalition Housing Program	50,000
Community Aging d/b/a CARES	Elderly Chores	12,500
Connections Job Development Corporation	Job Development Program	10,000
Eckerd Youth Alternatives	Room for Hope Pasco	10,000
Good Samaritan Health Clinic of Pasco	Medical & Dental Support Services	8,750
Greater Tampa Bay Area Council, BSA	Scouting in Underserved Communities for at-risk Youth	7,500
Heart Gallery of Pinellas & Pasco	Adoption Promotion and Support	3,750
Lighthouse for the Visually Impaired & Blind	Little Lighthouse for Babies - Early Intervention	3,750
Messengers of Hope	Food, Water, Basic Needs for Poor and Homeless	6,250
Metropolitan Ministries, Inc.	Outreach & Prevention Services	18,750
One Community Now, Inc.	Neighborhood Impact - Hot Meal	6,250
One Community Now, Inc.	Pack A Sack	6,250
PACE Center for Girls of Pasco Co.	Increase Academic Team Support & Progress Monitoring	17,500
Pasco Kids First	Healthly Family High Risk Enhancement Services	18,750
Restored Hope of Dade City	Financial Services	10,000
Sertoma Speech & Hearing Foundation of FL, Inc.	Hearing for a Lifetime	6,250
Sertoma Speech & Hearing Foundation of FL, Inc.	Hearing Help Services	6,250
Suncoast Epilepsy Association	Case Management Program for Epilepsy	6,250
Sunrise of Pasco County, Inc.	Shelter Service Program	12,500
Thomas Promise	Thomas Promise Foundation	6,250
United Way of Pasco County	2-1-1 Information and Referral	18,750
Victorious Life Church	CNA Work Program	10,000
Wheels of Success	Build - A- Car	6,250
Youth & Family Alternatives	The Commons at Speer Village Laundry Services	12,500
TOTAL OUTSIDE AGENCY FUNDING ALLOCATIONS		<u><u>\$300,000</u></u>

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**UNITED WAY PASCO COUNTY, INC.
SCHEDULE OF PLEDGE REVENUE
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	2019	2018
Gross pledges:		
2018 campaign	\$ 1,047,546	\$ -
2017 campaign	-	1,340,716
	1,047,546	1,340,716
Estimated collection losses (recoveries):		
2018 campaign	115,227	-
2017 campaign	-	137,627
Designations by donors for specific organizations	60,985	21,631
Pledge revenue, net of estimated collection losses and designations	\$ 871,334	\$ 1,181,458

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