

UNITED WAY OF BROWARD COUNTY, INC.

FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

UNITED WAY OF BROWARD COUNTY, INC.

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of United Way of Broward County, Inc. (the "Organization"), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, 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 audits 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 the Organization 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 Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary schedules, as listed in the supplementary information and single audit sections in the table of contents, as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 65E-14, *Florida Administrative Code* are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary schedules and schedule of expenditures of federal awards 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 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.


Fort Lauderdale, Florida
November 18, 2020

UNITED WAY OF BROWARD COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION
JUNE 30,

ASSETS	2020	2019
CURRENT ASSETS		
Cash and cash equivalents	\$ 3,292,266	\$ 1,947,711
Investments	4,584,792	3,473,314
Contributions receivable, net	3,652,406	4,012,856
Grants receivable and other receivables	1,141,152	2,232,698
Prepaid expenses and other assets	<u>113,907</u>	<u>109,729</u>
TOTAL CURRENT ASSETS	12,784,523	11,776,308
Contributions receivable - net of current portion	216,952	259,823
Land, buildings and equipment, net	1,278,695	1,349,907
Beneficial interests in assets held by others	<u>1,029,615</u>	<u>1,097,839</u>
TOTAL ASSETS	<u>\$ 15,309,785</u>	<u>\$ 14,483,877</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 1,202,366	\$ 2,058,698
Approved allocations payable	5,286,186	5,576,102
Donor designations payable	287,240	366,903
Paycheck Protection Program refundable advance	<u>401,819</u>	<u>-</u>
TOTAL CURRENT LIABILITIES	<u>7,177,611</u>	<u>8,001,703</u>
NET ASSETS		
Without donor restrictions	3,832,886	3,644,174
With donor restrictions	<u>4,299,288</u>	<u>2,838,000</u>
TOTAL NET ASSETS	<u>8,132,174</u>	<u>6,482,174</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 15,309,785</u>	<u>\$ 14,483,877</u>

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

UNITED WAY OF BROWARD COUNTY, INC.

STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED JUNE 30,

	2020			2019		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
REVENUES						
Annual campaign contributions	\$ 12,049,251	\$ -	\$ 12,049,251	\$ 12,345,169	\$ -	\$ 12,345,169
Less: donor designations	(1,632,100)	-	(1,632,100)	(1,667,213)	-	(1,667,213)
Less: provision for uncollectible pledges	(1,300,000)	-	(1,300,000)	(1,257,550)	-	(1,257,550)
Net annual campaign contributions	9,117,151	-	9,117,151	9,420,406	-	9,420,406
Payroll Protection Program revenue	460,055	-	460,055	-	-	-
Business council on homelessness contributions	-	465,614	465,614	-	1,668,467	1,668,467
Legacies and bequests	143,906	-	143,906	36,530	-	36,530
Federal, state and private grants	8,050,328	-	8,050,328	8,921,492	7,500	8,928,992
Net investment income	43,162	(12,687)	30,475	206,415	21,110	227,525
Disaster relief revenue	-	2,788,028	2,788,028	-	53,685	53,685
Special events, net	284,345	-	284,345	493,710	-	493,710
Net assets released from restrictions	1,779,667	(1,779,667)	-	840,963	(840,963)	-
TOTAL REVENUES	19,878,614	1,461,288	21,339,902	19,919,516	909,799	20,829,315
EXPENSES						
Allocations and contracted program services:						
Funds allocated to member agencies	4,938,442	-	4,938,442	4,810,170	-	4,810,170
Contracted program services	7,887,697	-	7,887,697	8,274,052	-	8,274,052
Functional expenses:						
Program services	3,942,149	-	3,942,149	3,632,774	-	3,632,774
Support services:						
Fundraising and donor relations	1,923,249	-	1,923,249	1,919,420	-	1,919,420
Management and general	998,365	-	998,365	894,125	-	894,125
TOTAL EXPENSES	19,689,902	-	19,689,902	19,530,541	-	19,530,541
CHANGES IN NET ASSETS	188,712	1,461,288	1,650,000	388,975	909,799	1,298,774
NET ASSETS AT BEGINNING OF YEAR	3,644,174	2,838,000	6,482,174	3,255,199	1,928,201	5,183,400
NET ASSETS AT END OF YEAR	<u>\$ 3,832,886</u>	<u>\$ 4,299,288</u>	<u>\$ 8,132,174</u>	<u>\$ 3,644,174</u>	<u>\$ 2,838,000</u>	<u>\$ 6,482,174</u>

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

UNITED WAY OF BROWARD COUNTY, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	Program Services	Supporting Services		Total
		Donor Relations	Management and General	
Funds allocated to member agencies	\$ 4,938,442	\$ -	\$ -	\$ 4,938,442
Contracted program services	7,887,697	-	-	7,887,697
TOTAL ALLOCATION EXPENSES	12,826,139	-	-	12,826,139
Salaries and related expenses				
Salaries and wages	2,716,580	1,153,721	630,485	4,500,786
Employee benefits and payroll taxes	474,303	224,414	128,205	826,922
Total salaries and related expenses	3,190,883	1,378,135	758,690	5,327,708
Professional fees	127,948	45,069	40,229	213,246
Conferences and outreach events	72,669	25,610	13,419	111,698
National and state affiliations	144,957	60,399	36,239	241,595
Advertising and awareness	45,924	116,896	4,458	167,278
Equipment rental and maintenance	36,158	8,876	5,955	50,989
Printing and publications	6,548	132,778	1,846	141,172
Occupancy	85,360	40,164	33,470	158,994
Insurance	46,450	18,807	11,284	76,541
Supplies	25,885	8,675	6,316	40,876
Telephone	35,916	14,488	8,621	59,025
Travel	37,905	16,114	8,464	62,483
Postage and shipping	4,732	2,606	1,505	8,843
Other expenses	9,288	6,948	28,133	44,369
Total functional expenses before depreciation	3,870,623	1,875,565	958,629	6,704,817
Depreciation	71,526	47,684	39,736	158,946
TOTAL FUNCTIONAL EXPENSES	3,942,149	1,923,249	998,365	6,863,763
TOTAL EXPENSES	\$ 16,768,288	\$ 1,923,249	\$ 998,365	\$ 19,689,902

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

UNITED WAY OF BROWARD COUNTY, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	Program Services	Supporting Services		Total
		Donor Relations	Management and General	
Funds allocated to member agencies	\$ 4,810,170	\$ -	\$ -	\$ 4,810,170
Contracted program services	8,274,052	-	-	8,274,052
TOTAL ALLOCATION EXPENSES	13,084,222	-	-	13,084,222
Salaries and related expenses				
Salaries and wages	2,409,686	1,165,655	576,945	4,152,286
Employee benefits and payroll taxes	412,634	228,833	117,090	758,557
Total salaries and related expenses	2,822,320	1,394,488	694,035	4,910,843
Professional fees	98,944	57,439	32,983	189,366
Conferences and outreach events	94,073	17,367	18,184	129,624
National and state affiliations	174,383	48,540	24,025	246,948
Advertising and awareness	70,789	100,575	9,619	180,983
Equipment rental and maintenance	44,248	11,488	5,253	60,989
Printing and publications	4,251	135,580	1,578	141,409
Occupancy	80,207	35,566	29,638	145,411
Insurance	49,069	18,465	9,139	76,673
Supplies	29,924	9,981	9,774	49,679
Telephone	34,283	15,630	7,736	57,649
Travel	46,234	17,043	3,771	67,048
Postage and shipping	4,763	4,081	2,135	10,979
Other expenses	2,536	2,011	3,617	8,164
Total functional expenses before depreciation	3,556,024	1,868,254	851,487	6,275,765
Depreciation	76,750	51,166	42,638	170,554
TOTAL FUNCTIONAL EXPENSES	3,632,774	1,919,420	894,125	6,446,319
TOTAL EXPENSES	\$ 16,716,996	\$ 1,919,420	\$ 894,125	\$ 19,530,541

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

UNITED WAY OF BROWARD COUNTY, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30,

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,650,000	\$ 1,298,774
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	158,946	170,554
Provision for uncollectible contributions receivable	1,300,000	1,257,550
Net unrealized and realized loss (income) on investments	93,090	(101,642)
Accretion on discount on pledges receivable	(7,159)	(5,271)
(Increase) decrease in operating assets:		
Contributions receivable	(889,520)	(1,751,561)
Grants receivable and other receivables	1,091,546	(1,342,410)
Prepaid expenses and other assets	(4,178)	13,950
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(856,332)	932,185
Approved allocations payable	(289,916)	(125,115)
Donor designations payable	(79,663)	12,882
Paycheck Protection Program refundable advance	401,819	-
TOTAL ADJUSTMENTS	918,633	(938,878)
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,568,633	359,896
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment purchases	(2,948,130)	(1,077,731)
Investment sales	1,811,786	2,007,229
Purchases of fixed assets	(87,734)	(118,104)
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	(1,224,078)	811,394
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,344,555	1,171,290
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,947,711	776,421
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 3,292,266	\$ 1,947,711

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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

1. GENERAL

United Way of Broward County, Inc. (the "Organization") is a volunteer-driven, not-for-profit organization whose mission is to focus and unite the entire community to create significant lasting change in the community impact areas of education, income and health – the building blocks for a better life – which positively impacts people's lives. The Organization was incorporated in the State of Florida in 1976. Revenues are derived principally from contributions that are received from year round fundraising activities that the Organization conducts via direct solicitation to individual and corporate donors as well as from major fundraising events.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis of Presentation

Net assets and revenues, gains and losses are classified into two classes of net assets based on existence or absence of donor-imposed restrictions. The two classes of net asset categories are as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the accompanying statements of activities.

Accounting Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements, the reported amounts of public support, revenues, allocations, and expenses during the reporting period. Actual results could differ from those amounts. The most significant accounting estimate impacting the Organization's financial statements is the allowance for uncollectible contributions receivable, which amounted to \$1,904,983 and \$1,810,000 as of June 30, 2020 and 2019, respectively.

Concentrations of Credit and Market Risk

Financial instruments which potentially subject the Organization to concentrations of credit and market risk consist primarily of cash and cash equivalents, receivables and investments. The Organization maintains cash balances at a financial institution in South Florida. Accounts in the institution are insured by the Federal Deposit Insurance Corporation in accordance with current regulations, which provides for insurance up to \$250,000. At times, balances in these accounts may exceed these federally insured limits. Cash equivalents are maintained at high-quality financial institutions. The Organization has not experienced any losses on its cash and cash equivalents.

Credit risk is the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. Management considers credit risk associated with receivables to be low due to the diversity of the donors and the recurring nature of many donations. Investments are subject to both credit and market risks. Market risk is the possibility that fluctuations in the investment market will impact the value of the portfolio. The Organization has an investment policy and utilizes management oversight, and periodically reviews its investment portfolios to monitor these risks.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Organization considers all highly liquid investments held at financial institutions with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the Statements of Financial Position. Realized gains, unrealized (losses) gains, interest and dividends on investments are reflected in the accompanying statements of activities within "Net investment income." Investment income that is limited to specific uses by donor restrictions is reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period as the income is recognized.

Fair values of financial instruments are estimated using relevant market information and other assumptions. Fair value estimates involve uncertainties and matters of significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially in the absence of broad markets for particular instruments. Changes in assumptions or in market conditions could significantly affect the estimates. The carrying amount of all financial assets and liabilities approximates fair value.

Receivables

Contributions receivable are promises to give from various donors that are considered unconditional. Contributions receivable primarily consist of pledges made during annual giving campaign appeals and are presented net of the allowance for doubtful accounts. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using risk free interest rates applicable to the years in which the promises are received. The interest rate used in computing the discount of the estimated future cash flows is 3% for pledges to future campaigns that were received in the fiscal years ended June 30, 2020 and 2019. The discount will be recognized as contribution revenue in future years as the discount is amortized over the duration of the contributions.

Contributions receivable are considered past due when the pledge payment period has passed. An allowance is recorded for each campaign year based on management's evaluation of outstanding pledges. This estimation takes into consideration current economic factors applied to the gross campaign, historical trends and past history with specific funding sources. Actual results could vary from the estimate. Once the likelihood of collecting receivables is determined to be remote, management writes off the specific account balance and relieves any related allowance.

Grants receivable at year end represent expenditures and/or units of service performed, which have not yet been reimbursed by the granting agency. Management analyzes, on an ongoing basis, outstanding accounts individually to determine if an allowance for doubtful accounts is required. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. Management determined that an allowance for doubtful accounts related to grants receivable was not deemed necessary as of June 30, 2020 and 2019.

Revenue Recognition

Significant sources of revenue as reported in the statement of activities are as follows:

Contributions

Unconditional contributions are recognized as revenue in the year the commitment is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions (Continued)

Contributions of assets other than cash are recorded at estimated fair value at the date of receipt. Campaign contributions resulting primarily from campaigns directed at corporations, employers/employees of for-profit, non-profit, individuals, and public and private foundations.

Designations to specific not-for-profit organizations other than the Organization are reflected as annual campaign contributions raised during the year offset by the donor designations to arrive at net annual campaign contributions. The Organization had one donor that represented approximately 28% and 35% of total annual campaign contributions presented in the accompanying statements of activities for the years ended June 30, 2020 and 2019, respectively. The Organization's top donors represent large corporations sponsoring employee campaign events each year, which have historically resulted in substantial contributions to the Organization.

Exchange Transaction

The Organization applies Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606) to exchange transactions related to federal, state, county and local grants revenue. The Organization receives a significant portion of its revenues from government grants and contracts. The amounts received under these grants and contracts are designated for specific purposes by the granting agencies. Grant and contract revenues are recognized when the allowable costs as defined by the individual grants or contracts are incurred and/or the unit of service has been performed. Under U.S. GAAP, these arrangements are exchange transactions between the Organization and the grantor. Federal, state, county and local grants revenue are reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing services. The performance obligations are satisfied and revenue is recognized when services are rendered or the cost is incurred in accordance with the grant agreement.

The Organization adopted Topic 606 on July 1, 2019 using the modified retrospective method. The modified retrospective adoption method requires the Organization to record a transition adjustment for the new revenue standard, if any, as a cumulative effect adjustment to beginning net assets as of the date of adoption. No adjustment to the Organization's beginning net assets were required as a result of adopting Topic 606.

Beneficial Interests in Assets Held by Others

The Organization has investments in perpetual trusts, the funds of which are invested with the Community Foundation of Broward Inc., in the name of the Organization. As of June 30, 2020 and 2019, the fair value of these funds were \$1,029,615 and \$1,097,839, respectively; of these funds, \$1,000,627 is restricted in perpetuity. The net income of the funds is required to be distributed at least annually to the Organization, and is to be used to support the operating activities of the Organization.

Land, Buildings and Equipment, Net

Land, buildings, equipment, and other property are recorded at cost at the date of purchase, or, if contributed, the fair value at the date of donation. Contributions of property with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions. The Organization capitalizes all expenditures for land, buildings, equipment, and other property in excess of \$5,000 and all expenditures for repairs, maintenance, renewals and betterments that materially prolong the useful lives of the related assets. When assets are sold or retired, the cost and related accumulated depreciation are removed from the accounts and a gain or loss, if any, is recognized. Repairs and maintenance are charged to expense as incurred. Depreciation is calculated using the straight-line method over the estimated useful lives of various classes of depreciable assets as follows:

Buildings	39 years
Building improvements	10 to 20 years
Furniture, equipment and software	5 years

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of Long-Lived Assets

The carrying value of long-lived assets is reviewed if the facts and circumstances, such as significant declines in revenues, earnings or cash flows or material adverse changes in the operating climate, indicate that they may be impaired.

If any impairment in the value of the long-lived assets is indicated, the carrying value of the long-lived assets is adjusted to reflect such impairment based on the fair value of the impaired assets or an estimate of fair value based on discounted cash flows. Management determined that there was no impairment of long-lived assets during the years ended June 30, 2020 and 2019.

Donated Services

A substantial number of volunteers have donated significant amounts of their time to the Organization's fund-raising campaigns. The value of these services has not been reflected in the accompanying financial statements since the services do not require specialized skills, and hence, do not meet the criteria for recognition under U.S. GAAP.

Allocations to Agencies

Annually, the Board of Directors decides which not-for-profit agencies will receive funding from the Organization. The Board of Directors' decisions are based on an evaluation of the funding requests from the various agencies and the availability of net assets without donor restrictions. Once the Board of Directors has determined and approved the allocation amounts and the designated agencies, the liability and the related expense is recorded.

Donor Designations

The Organization accepts cash or other financial assets from donors and agrees to transfer those assets to a specified qualified beneficiary, which, the Organization refers to as donor designations. The Organization, as an intermediary, recognizes the fair value of those assets as a liability to the specified beneficiary concurrent with the recognition of the assets received from the donor. Donor designations that were pledged for the years ended June 30, 2020 and 2019 are \$1,632,100 and \$1,667,213, respectively, and are not included in net revenues. Donor designations payable at June 30, 2020 and 2019, are \$287,240 and \$366,903, respectively.

Partner agencies receiving designations from the Organization are charged an administrative fee based upon amounts received in accordance with United Way Worldwide guidelines. Administrative fees of up to 10% of the amounts designated, subject to certain limitations, are netted against donor designations.

Refundable Advances and Deferred Revenue

Revenues received in advance that are not recognized because the allowable costs as defined by the individual grant or contract have not been incurred, the unit of service has not been provided, and/or the conditions of release have not been substantially met or explicitly waived are considered refundable advances and are recorded as liabilities. In addition, revenues received in advance from special events and other program income that are considered exchange transactions are deferred to the applicable period. Refer to Note 13 for additional information on the Paycheck Protection Program refundable advance.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and support services benefited. Expenses that can be directly identified with the program or supporting service are reported as expenses of those functional areas. Other expenses are allocated among program and supporting services based on a pro-rata estimate of utilization. Personnel expenses are allocated on the basis of estimated time and effort.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Organization is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. Accordingly, no provision for federal income tax is required.

The Organization recognizes and measures tax positions based on their technical merit and assesses the likelihood that the positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. Interest and penalties on tax liabilities, if any, would be recorded in interest expense and other non-interest expense, respectively.

The U.S. Federal jurisdiction is the major tax jurisdiction where the Organization files income tax returns. The Organization is generally no longer subject to U.S. Federal examinations by tax authorities for years before 2017.

Adopted Accounting Pronouncements

Revenue from Contracts with Customers

Effective July 1, 2019, the Organization adopted Accounting Standards Update 2014-09, *Revenue from Contracts with Customers* (Topic 606). The update outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current recognition guidance, including industry-specific guidance. The core principle of the revenue recognition standard is that an entity recognizes revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The adoption of this update had no effect on the Organization's financial position and changes in net assets. See Contributions Receivable and Revenue disclosure above.

Accounting Guidance for Contributions Received and Contributions Made

During the year ended June 30, 2020, the Organization adopted Accounting Standards Update 2018-08, *Not-for-Profit Entities* (Topic 958), *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. The update provides guidance in evaluating whether transactions should be accounted for as contributions or as an exchange transaction and determining whether a contribution is conditional or not. The adoption of this update had no effect on the Organization's financial position and changes in net assets.

Classification of Certain Cash Receipts and Cash Payments

In August 2016, the Financial Accounting Standards Board ("FASB") issued an accounting standards update to reduce diversity in practice on eight specific statement of cash flows issues. The update is effective retrospectively for financial statements issued for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019, with early adoption permitted. The adoption of the update did not have a material effect on the Organization's financial statements.

Recent Accounting Pronouncements

Lease Accounting

In February 2016, the FASB issued an accounting standard update which amends existing lease guidance. The update requires lessees to recognize a right-of-use asset and related lease liability for many operating leases now currently off-balance sheet under current US GAAP. Also, the FASB has issued amendments to the update with practical expedients related to land easements, lessor accounting, and disclosures related to accounting changes and error corrections. The Organization is currently evaluating the effect the update will have on its financial statements.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Lease Accounting (continued)

The update originally required transition to the new lease guidance using a modified retrospective approach which would reflect the application of the update as of the beginning of the earliest comparative period presented. A subsequent amendment to the update provides an optional transition method that allows entities to initially apply the new lease guidance with a cumulative-effect adjustment to the opening balance of equity in the period of adoption. If this optional transition method is elected, after the adoption of the new lease guidance, the Organization's presentation of comparative periods in the financial statements will continue to be in accordance with current lease accounting guidance. The Organization is evaluating the method of adoption it will elect. The update is effective for fiscal years beginning after December 15, 2021, and for interim periods within fiscal years beginning after December 15, 2022, with early application permitted.

Contributed Nonfinancial Assets

In September 2020, the FASB issued an accounting standard update which amends guidance for not-for-profit entities that receive contributed nonfinancial assets. The update requires not-for-profits to present contributed nonfinancial assets as a separate line item in the statement of activities, and to disclose information regarding each type of contributed nonfinancial asset. The update is to be applied on a retrospective basis and is effective for annual reporting periods beginning after June 15, 2021, and for interim reporting periods beginning after June 15, 2022. The Organization is currently evaluating the effect the update will have on its financial statements.

Subsequent Events

The Organization has evaluated subsequent events through November 18, 2020, which is the date the financial statements were available to be issued.

3. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization maintains an informal policy of structuring its financial assets to be available as general expenditures, liabilities and other obligations come due. The Organization engages qualified third party investment advisors to invest excess cash net of working capital in instruments as stipulated under the Investment Policy. The policy is reviewed annually by the Finance Committee. Market performance is monitored continuously including review of quarterly reports and watch list of invested funds. Furthermore, the Executive Committee as well as the Board of Directors review the statements of financial position and statements of activities results periodically.

The Organization's financial assets available within one year of the statement of financial position date for general expenditures as of June 30 are as follows:

	2020	2019
Cash and cash equivalents	\$ 3,292,266	\$ 1,947,711
Investments	4,584,792	3,473,314
Contributions receivable, net	3,869,358	4,272,679
Grants receivable and other receivables	1,141,152	2,232,698
Beneficial interest in assets held by others	1,029,615	1,097,839
Total financial assets	13,917,183	13,024,241
Less amounts not available to be used within one year:		
Net assets with donor restrictions	4,299,289	2,838,000
Less net assets with purpose restrictions estimated to be met in less than one year	(3,017,312)	(1,430,299)
Total financial assets not available to be used within one year	1,281,977	1,407,701
Financial assets available to meet general expenditures within one year	<u>\$ 12,635,206</u>	<u>\$ 11,616,540</u>

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

3. LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)

In managing its liquidity needs in accordance with policies established by the Board, the Organization's investment managers invest largely in mutual funds, equities and fixed income securities which are considered highly liquid as there are no preventative lockups or restrictions and can be readily liquidated to cover operating needs.

4. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The FASB established a framework for measuring fair value. That 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 are described as follows:

- 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 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 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 should maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2020 and 2019.

Equity securities: Quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Debt securities: Quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Funds of funds: Quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Beneficial interests in assets held by others: Fair value is derived principally from inputs that are not observable. The Organization calculates the investment value using its respective interest in the pooled funds.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent, the use of different methodologies and assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables sets forth by level, within the fair value hierarchy, the Organization's investments at fair value excluding cash and cash equivalents included within investment balances as of June 30, 2020 and 2019:

UNITED WAY OF BROWARD COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

4. INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

		Fair Value Measurements at June 30, 2020		
Description	June 30, 2020	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Equity securities	\$ 2,503,577	\$ 2,503,577	\$ -	\$ -
Debt securities	1,781,416	1,781,416	-	-
	\$ 4,284,993	\$ 4,284,993	\$ -	\$ -
Beneficial interest in assets held by others	\$ 1,029,615	\$ -	\$ -	\$ 1,029,615

		Fair Value Measurements at June 30, 2019		
Description	June 30, 2019	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Equity securities	\$ 1,867,845	\$ 1,867,845	\$ -	\$ -
Debt securities	1,282,700	1,282,700	-	-
Funds of funds	25,660	25,660	-	-
	\$ 3,176,205	\$ 3,176,205	\$ -	\$ -
Beneficial interest in assets held by others	\$ 1,097,839	\$ -	\$ -	\$ 1,097,839

The following tables present additional information about Level 3 assets measured at fair value. Both observable and unobservable inputs may be used to determine the fair value of positions that the Organization has classified within the Level 3 category. As a result, the gains and losses for assets within the Level 3 category may include changes in fair value that were attributable to both observable (e.g., changes in market interest rates) and unobservable (e.g., changes in unobservable long-dated volatilities) inputs. Changes in Level 3 assets measured at fair value for the years ended June 30, 2020 and 2019 are as follows:

		Fair Value Measurements at June 30, 2020			
		Beginning Balance	Investment Fees	Investment Earnings	Amount Appropriated for Expenditures
					Total
Beneficial interest in assets held by others		\$ 1,097,839	\$ (15,657)	\$ 2,970	\$ (55,537)
					\$ 1,029,615

		Fair Value Measurements at June 30, 2019			
		Beginning Balance	Investment Fees	Investment Earnings	Amount Appropriated for Expenditures
					Total
Beneficial interest in assets held by others		\$ 1,132,108	\$ (16,238)	\$ 37,348	\$ (55,379)
					\$ 1,097,839

UNITED WAY OF BROWARD COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

4. INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

Investment income for the years ended June 30 are as follows:

Year Ended June 30, 2020			
	Without Donor Restrictions	With Donor Restrictions	Total
Interest, dividends and realized income	\$ 143,098	\$ -	\$ 143,098
Net unrealized loss	(99,936)	(12,687)	(112,623)
Total investment return	\$ 43,162	\$ (12,687)	\$ 30,475

Year Ended June 30, 2019			
	Without Donor Restrictions	With Donor Restrictions	Total
Interest, dividends and realized income	\$ 199,642	\$ -	\$ 199,642
Net unrealized gain	6,773	21,110	27,883
Total investment return	\$ 206,415	\$ 21,110	\$ 227,525

5. CONTRIBUTIONS RECEIVABLE, NET

Contributions receivable, net at June 30 are as follows:

	2020	2019
Contributions receivable due in less than one year	\$ 5,557,389	\$ 5,822,856
Contributions receivable due in one to five years	235,000	285,000
Total contributions receivable	5,792,389	6,107,856
Unamortized discount	(18,048)	(25,177)
Allowance for uncollectible contributions receivable	(1,904,983)	(1,810,000)
Total contributions receivable, net	3,869,358	4,272,679
Less: contributions receivable - non-current	(216,952)	(259,823)
Contributions receivable - current portion	\$ 3,652,406	\$ 4,012,856

The Organization utilizes a historical average for calculating the allowance for uncollectible contributions receivable and may be adjusted by management's judgment of current economic conditions.

UNITED WAY OF BROWARD COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

6. LAND, BUILDINGS AND EQUIPMENT, NET

Land, buildings and equipment, net, consisted of the following at June 30:

	2020	2019
Land	\$ 58,500	\$ 76,900
Buildings and improvements	2,798,790	2,789,214
Furniture, equipment and software	1,858,519	1,761,961
	4,715,809	4,628,075
Less accumulated depreciation	(3,437,114)	(3,278,168)
	<u>\$ 1,278,695</u>	<u>\$ 1,349,907</u>

Depreciation expense was \$158,946 and \$170,554 for the years ended June 30, 2020 and 2019, respectively.

7. ENDOWMENT

The Organization's endowment consists of funds established for a variety of purposes related to the Organization's mission and programs. As required by U.S. GAAP, net assets associated with endowment funds, including quasi-endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The State of Florida adopted the Florida Uniform Prudent Management of Institutional Funds Act ("FUPMIFA"). The Organization has interpreted the FUPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies perpetual gifts as net assets with donor restrictions: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund not held in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by FUPMIFA.

Also included in net assets with donor restrictions is accumulated appreciation on donor restricted endowment funds which are available for expenditure in a manner consistent with the standard of prudence prescribed by the FUPMIFA, and deficiencies associated with funds where the value of the fund has fallen below the original value of the gift.

The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The expected total return from income and the appreciation of investments
- (5) Other resources of the Organization
- (6) The investment policy of the Organization

For the years ended June 30, 2020 and 2019, the Organization has elected not to add appreciation for cost of living or other spending policies to its endowment for inflation and other economic conditions.

UNITED WAY OF BROWARD COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

7. ENDOWMENT (CONTINUED)

As of June 30, 2020 and 2019, endowment net assets consisted of the following:

Summary of Endowment Assets at June 30, 2020:

	<u>Without Donor</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Original donor restricted gifts in perpetuity	\$ -	\$ 1,000,627	\$ 1,000,627
Accumulated earnings, term endowments and similar gifts	-	28,988	28,988
Total endowment net assets	<u>\$ -</u>	<u>\$ 1,029,615</u>	<u>\$ 1,029,615</u>

Summary of Endowment Assets at June 30, 2019:

	<u>Without Donor</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Original donor restricted gifts in perpetuity	\$ -	\$ 1,000,627	\$ 1,000,627
Accumulated earnings, term endowments and similar gifts	-	97,212	97,212
Total endowment net assets	<u>\$ -</u>	<u>\$ 1,097,839</u>	<u>\$ 1,097,839</u>

Changes to endowment net assets for the years ended June 30, 2020 and 2019 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, June 30, 2019	\$ -	\$ 1,097,839	\$ 1,097,839
Realized and unrealized gains	-	2,970	2,970
Investment fees	-	(15,657)	(15,657)
Appropriated for expenditures	-	(55,537)	(55,537)
Endowment net assets, June 30, 2020	<u>\$ -</u>	<u>\$ 1,029,615</u>	<u>\$ 1,029,615</u>

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, June 30, 2018	\$ -	\$ 1,132,108	\$ 1,132,108
Realized and unrealized gains	-	37,348	37,348
Investment fees	-	(16,238)	(16,238)
Appropriated for expenditures	-	(55,379)	(55,379)
Endowment net assets, June 30, 2019	<u>\$ -</u>	<u>\$ 1,097,839</u>	<u>\$ 1,097,839</u>

UNITED WAY OF BROWARD COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

7. ENDOWMENT (CONTINUED)

Summary of Endowment Assets:

As of June 30, 2020 and 2019, respectively, endowment assets are invested as follows:

	2020	2019
Beneficial interest in assets held by others	\$ 1,029,615	\$ 1,097,839

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies for the years ended June 30, 2020 and 2019.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those (a) assets of donor-restricted funds that the Organization must hold in perpetuity which are held by others for the benefit of the Organization and (b) assets with donor specified period restrictions as well as board-designated funds that are included as part of current investments.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization has a policy of appropriating for distribution each year up to five percent of its endowment fund's average fair value over the prior thirty six months through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Organization considered the long-term expected return on its endowment.

8. NET ASSETS

Net assets without donor restrictions are used to support the operating activities of the Organization.

Net assets with donor restrictions consist of the following as of June 30:

	2020	2019
Disaster relief and COVID-19	\$ 2,024,483	\$ 250,996
Business council on homelessness	992,829	1,179,303
Restricted for future periods	281,349	407,074
	3,298,661	1,837,373
Restricted endowment in perpetuity (Note 7)	1,000,627	1,000,627
Total net assets with donor restrictions	\$ 4,299,288	\$ 2,838,000

UNITED WAY OF BROWARD COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

8. NET ASSETS (CONTINUED)

During the years ended June 30, 2020 and 2019, net assets released from restrictions due to time and purpose for all of the Organization's general programs amounted to \$1,779,667 and \$840,963, respectively.

9. ANNUAL DUES FOR NATIONAL AND STATE AFFILIATIONS

The Organization provides funding to the State and National United Way organizations to finance programs of research, education and community services. Membership support is used to provide National Academy for Volunteerism training and conferencing, career development, advertising, market research, campaign assistance, National Corporate Leadership and National Football League relationships, executive search, Alexis de Tocqueville Society enrollments, product and service discounts, and consultation and technical assistance.

Payments for the years ended June 30, 2020 and 2019 are based upon the reported gross campaign contributions as follows:

	2020	2019
State organization	\$ 38,723	\$ 36,082
National organization	202,872	210,866
	<u>\$ 241,595</u>	<u>\$ 246,948</u>

10. BENEFICIAL INTERESTS IN ASSETS HELD BY OTHERS

The Community Foundation of Broward, Inc. holds assets for the benefit of the Organization in five endowment funds, original values of the gift to be held in perpetuity. The endowment was established by third party donors. The investments held at Community Foundation of Broward, Inc. are measured at fair value. Changes in fair value are recognized in investment income in the accompanying statements of activities.

11. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Organization has received grants which are subject to audit by agents of the relevant funding authority, the purpose of which is to ensure compliance with conditions precedent to providing such funds. The Board of Directors believes that all of the grant expenditures are properly recorded and that the liability, if any, for any reimbursement which may arise as the result of audits would not be significant.

12. EMPLOYEE RETIREMENT PLAN

The Organization offers a defined contribution retirement plan covering all regular employees over the age of 21 and having at least three months of service. Employer contributions for the years ended June 30, 2020 and 2019, amounted to approximately \$64,000 and \$60,000, respectively.

Participant's contributions and actual earnings or losses thereon are immediately vested. Vesting in the employer's contributions plus actual earnings or losses thereon is based on years of continuous service. A participant is 100% vested after six years of service from the date that the employee is eligible to participate in the plan.

Service with other United Way organizations may be considered when determining years of service in accordance with the plan documents. Upon termination of employment, a participant's non-vested amounts are forfeited in accordance with the plan document and will be considered an employer contribution during the year of forfeiture. Upon death, total disability or retirement, participants become 100% vested in their employer contributions.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

13. RISK, UNCERTAINTIES AND PAYCHECK PROTECTION PROGRAM REFUNDABLE ADVANCE

Since January 2020, the coronavirus ("COVID-19") outbreak has caused substantial disruption in international and U.S. economics and markets. The fear of further spread of COVID-19 has caused quarantines, cancellation of events and travel, business and school shutdowns, and overall reduction in business and economic activity. On March 11, 2020, the World Health Organization designated COVID-19 as a pandemic. The Organization is unable to predict the impact that COVID-19 will have on its financial position and change in net assets due to numerous uncertainties. These uncertainties include the severity of the virus, the duration of the outbreak, governmental or other actions (which include promotion of social distancing), or changes to the Organization's operations. The Organization is currently evaluating the potential adverse effect this matter will have on its financial position, operations and cash flows. While the ultimate outcome of this uncertainty is unknown, it is reasonably possible the impact may be materially adverse.

Due to the events discussed above, through a local financial institution, the Organization received approximately \$862,000 from the U.S. Small Business Administration ("SBA") as part of the Paycheck Protection Program ("PPP"), which is designed to provide a direct incentive for small businesses to keep their workers on the payroll. The Organization has elected to account for the PPP funds in accordance with FASB's ASC 958-606, Not-for-Profit Entities Revenue Recognition. Under this method the PPP funds were recorded as a liability in the statement of financial position when it was received in May 2020. During the fiscal year, the Organization recognized approximately \$460,000 in revenue (Payroll Protection Program revenue) as the related conditions were deemed substantially met by management. Approximately \$402,000 remains as a liability at June 30, 2020. It is expected that the Organization will apply for full forgiveness by the end of the calendar year 2020, in accordance with the terms of this program.

SUPPLEMENTARY INFORMATION

UNITED WAY OF BROWARD COUNTY, INC.

**BROWARD BEHAVIORAL HEALTH COALITION SCHEDULE OF STATE EARNINGS
FOR THE YEAR ENDED JUNE 30, 2020**

1	Total Expenditures	\$	3,141,877
2	Less Other State & Federal Funds		-
3	Less Non-Match SAMH Funds		(2,206,389)
4	Less Unallowable Costs per 65E-14, F.A.C.		<u>(300)</u>
5	Total Allowable and Unallowable Expenditures (Sum of Lines 1,2,3 and 4)		935,188
6	Maximum Available Earnings (Line 5 times 75%)		701,391
7	Amount of State Funds Requiring Match		<u>244,408</u>
8	Amount of Maximum Available (Earnings In Excess Of) State Funds Received	\$	<u><u>456,983</u></u>

UNITED WAY OF BROWARD COUNTY, INC.

**BROWARD BEHAVIORAL HEALTH COALITION SCHEDULE OF RELATED PARTY TRANSACTION ADJUSTMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Revenue from Grantee	Related Party	Allocation of Related Party Transactions Adjustment				
		State Designated Covered Services				Total
		1	2	3	...	
Rent						
Services						
Interest						
Other						
Total Revenue from Grantee		\$ -	\$ -	\$ -	\$ -	\$ -
Expenses Associated with Grantee Transactions						
Personnel Services						
Depreciation						
Interest						
Other						
Total Associated Expenses		\$ -	\$ -	\$ -	\$ -	\$ -
Related Party Transactions Adjustments		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

UNITED WAY OF BROWARD COUNTY, INC.

**BROWARD BEHAVIORAL HEALTH COALITION COVERED SERVICES OPERATING AND CAPITAL EXPENDITURES (ACTUAL EXPENSES & REVENUES SCHEDULE)
FOR THE YEAR ENDED JUNE 30, 2020**

FUNDING SOURCES & REVENUES	State SAMH-Designated and Funded Cost Centers						Total for State SAMH-Funded Cost Center	Total for All State-Designated SAMH Cost Center	Total Funding
	Outreach	Information & Referral	Prevention - Selective	Prevention - Universal Direct	Prevention - Universal Indirect	Federal Project Grant			
IA. STATE SAMH FUNDING									
1 Services Revenue	\$ 226,417	\$ 401,069	\$ 356,654	\$ 1,883,737	\$ 230,795	\$ 15,600	\$ 3,114,272	\$ 3,114,272	\$ 3,114,272
TOTAL STATE SAMH	\$ 226,417	\$ 401,069	\$ 356,654	\$ 1,883,737	\$ 230,795	\$ 15,600	\$ 3,114,272	\$ 3,114,272	\$ 3,114,272
IB. OTHER GOVERNMENT FUNDING									
1 Other State Agency Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2 Medicaid	-	-	-	-	-	-	-	-	-
3 Local Government	-	-	-	-	-	-	-	-	-
4 Federal Grants and Other Contracts	-	-	-	-	-	-	-	-	-
5 In-Kind From Local Government Only	-	-	-	-	-	-	-	-	-
TOTAL OTHER GOVERNMENT FUNDING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IC. ALL OTHER REVENUE									
1 1st and 2nd Party Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2 3rd Party Payments (Except Medicare)	-	-	-	-	-	-	-	-	-
3 Medicare	-	-	-	-	-	-	-	-	-
4 Contributions and Donations	-	-	-	-	-	-	-	-	-
5 Other	-	-	-	-	-	-	-	-	-
6 In-kind	-	-	-	-	-	-	-	-	-
TOTAL ALL OTHER REVENUE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL FUNDING	\$ 226,417	\$ 401,069	\$ 356,654	\$ 1,883,737	\$ 230,795	\$ 15,600	\$ 3,114,272	\$ 3,114,272	\$ 3,114,272

UNITED WAY OF BROWARD COUNTY, INC.

BROWARD BEHAVIORAL HEALTH COALITION COVERED SERVICES OPERATING AND CAPITAL EXPENDITURES (ACTUAL EXPENSES & REVENUES SCHEDULE) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

EXPENSE CATEGORY	Outreach	Information & Referral	Prevention - Selective	Prevention - Universal Direct	Prevention - Universal Indirect	Federal Project Grant	Total for state SAMH-Funded	Indirect Costs	Total Expenses
I. PERSONNEL EXPENSES									
Salaries	\$ 78,926	\$ 11,146	\$ 23,925	\$ 308,596	\$ 9,578	\$ -	\$ 432,171	\$ 152,654	\$ 584,825
Fringe Benefits	14,135	1,996	4,285	55,268	1,715	-	77,399	27,339	104,738
	<u>93,061</u>	<u>13,142</u>	<u>28,210</u>	<u>363,864</u>	<u>11,293</u>	<u>-</u>	<u>509,570</u>	<u>179,993</u>	<u>689,563</u>
II. EXPENSES									
Professional Services	3,309	467	1,003	24,590	402	-	29,771	6,691	36,462
Travel	2,374	335	720	9,281	289	-	12,999	4,591	17,590
Equipment	86	13	26	339	10	-	474	168	642
Subcontracted Services	-	382,415	316,614	1,367,276	-	15,600	2,081,905	-	2,081,905
Operating Supplies & Expenses	894	126	271	3,494	108	-	4,893	1,729	6,622
Other Expense	94,328	-	-	-	214,765	-	309,093	-	309,093
	<u>100,991</u>	<u>383,356</u>	<u>318,634</u>	<u>1,404,980</u>	<u>215,574</u>	<u>15,600</u>	<u>2,439,135</u>	<u>13,179</u>	<u>2,452,314</u>
Total Expenses									
	<u>\$ 194,052</u>	<u>\$ 396,498</u>	<u>\$ 346,844</u>	<u>\$ 1,768,844</u>	<u>\$ 226,867</u>	<u>\$ 15,600</u>	<u>\$ 2,948,705</u>	<u>\$ 193,172</u>	<u>\$ 3,141,877</u>
III. DISTRIBUTED COSTS									
Other Support (optional)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administration	35,278	4,982	10,694	137,936	4,282	-	193,172	(193,172)	-
TOTAL DISTR'D INDIRECT COSTS	<u>35,278</u>	<u>4,982</u>	<u>10,694</u>	<u>137,936</u>	<u>4,282</u>	<u>-</u>	<u>193,172</u>	<u>(193,172)</u>	<u>-</u>
TOTAL ACTUAL OPER. COSTS	\$ 229,330	\$ 401,480	\$ 357,538	\$ 1,906,780	\$ 231,149	\$ 15,600	\$ 3,141,877	\$ -	\$ 3,141,877
IV. UNALLOWABLE COSTS	\$ (54)	\$ (8)	\$ (17)	\$ (214)	\$ (7)	\$ -	\$ (300)	\$ -	\$ (300)
ACTUAL TOTAL OPER. EXP.	<u>\$ 229,276</u>	<u>\$ 401,472</u>	<u>\$ 357,521</u>	<u>\$ 1,906,566</u>	<u>\$ 231,142</u>	<u>\$ 15,600</u>	<u>\$ 3,141,577</u>	<u>\$ -</u>	<u>\$ 3,141,577</u>

UNITED WAY OF BROWARD COUNTY, INC.

**BROWARD BEHAVIORAL HEALTH COALITION SCHEDULE OF BED-DAY AVAILABILITY PAYMENT
FOR THE YEAR ENDED JUNE 30, 2020**

Program	Covered Service	Avg. State Contracte d Rate	Total Units of Service Provided	Total Units of Service Paid for/by 3rd Party Contracts, Local Govt. or Other State Agencies	Maximum # of Units Eligible for Payment by Department	Amount Paid for Services by the Department	Maximum \$ Value of Units in Column F	Amount Owed to Department
<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>	<i>F = D - E</i>	<i>G</i>	<i>H = F x C</i>	<i>I = G-H or \$0, whichever is greater</i>
Mental Health	Crisis Stabilization Unit	-	-	-	-	-	-	-
Substance Abuse	Crisis Stabilization Unit	-	-	-	-	-	-	-
Mental Health	Substance Abuse Detox	-	-	-	-	-	-	-
Total Amount Owed to Department								-

UNITED WAY OF BROWARD COUNTY, INC.

NOTES TO SCHEDULES OF BROWARD BEHAVIORAL HEALTH COALITION
STATE EARNINGS AND PROGRAM/COVERED SERVICES ACTUAL EXPENSES AND REVENUES
FOR THE YEAR ENDED JUNE 30, 2020

1. BASIS OF PRESENTATION

The Schedules of State Earnings and Program/Covered Services Actual Expenses and Revenues were prepared in accordance with the requirements of Chapter 65E-14 of the *Florida Administrative Code* as mandated by Broward Behavioral Health no. 34374-19 for the year ended June 30, 2020.

2. BASIS OF ACCOUNTING

The accompanying Schedules of State Earnings and Program/Covered Services Actual Expenses and Revenues were presented on the accrual basis of accounting.

SINGLE AUDIT REPORTS

INDEPENDENT AUDITOR'S 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
United Way of Broward 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 Broward County, Inc. (the "Organization"), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 18, 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) as a basis for designing 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, misstatement 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 preceding paragraph 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 considered to be material weaknesses. However, a material weakness 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 of 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 financial statements. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Fort Lauderdale, Florida
November 18, 2020

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited the United Way of Broward County, Inc.'s (the "Organization") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2020. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

Report on Internal Control over Compliance (Continued)

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Fort Lauderdale, Florida
November 18, 2020

UNITED WAY OF BROWARD COUNTY, INC.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

Federal Grantor, Pass-through Grantor, Program or Cluster Title	CFDA Number	Contract/ Grant Number	Passed Through to Subrecipients	Expenditures
U.S. DEPARTMENT OF JUSTICE:				
Pass-through State of Florida Department of Legal Affairs:				
Antiterrorism Emergency Reserve	16.321	2020-V7-GX-0004	\$ -	\$ 64,029
Total U.S. Department of Justice			-	64,029
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Pass-through State of Florida Department of Children and Families:				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	5H79SP0022024-03 5H79SP022024-04	-	48,327
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1H79SM081496-01 6H79SM081496-02M001	-	127,667
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	34374-19	29,655	38,175
Total Substance Abuse and Mental Health Services Projects of Regional and National Significance			29,655	214,169
Block Grants for Community Mental Health Services	93.958	34374-19	176,833	497,599
Block Grants for Prevention and Treatment of Substance Abuse	93.959	34374-19	1,676,499	2,334,512
Total U.S. Department of Health and Human Services			1,882,987	3,046,280
U.S. DEPARTMENT OF AGRICULTURE:				
Opioid State Targeted Response	93.788	34374-19	164,492	197,100
Total U.S. Department of Agriculture			164,492	197,100
U.S. DEPARTMENT OF HOMELAND SECURITY FEDERAL EMERGENCY MANAGEMENT AGENCY:				
Disaster Assistance Projects	97.088	FEMA-4337-DR-FL	-	1,029,280
Total U.S. Department of Homeland Security Federal Emergency Management Agency			-	1,029,280
U.S. DEPARTMENT OF VETERAN AFFAIRS:				
VA Homeless Providers Grant and Per Diem Program	64.024	UWBC402-0734-546-TP- 19	-	641,136
VA Supportive Services for Veteran Families Program	64.033	14-FL-181	-	2,234,907
Total U.S. Department of Veteran Affairs			-	2,876,043
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 2,047,479	\$ 7,212,732

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

UNITED WAY OF BROWARD COUNTY, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS JUNE 30, 2020

1. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of United Way of Broward County, Inc. (the "Organization") and is presented using the accrual basis of accounting. Federal award expenditures are recognized following cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), wherein certain types of expenditures may differ from certain financial reports submitted on either a cash or modified accrual basis of accounting. Because this schedule presents only a select portion of the operations of the Organization, it is not intended to and does not present the financial position, changes to its net assets, or cash flows of the Organization.

2. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards is presented in accordance with the requirements of the Uniform Guidance. The federal awards on the Schedule of Expenditures of Federal Awards are included in the accompanying statements of activities.

3. SUB RECIPIENTS

The following awards were received by the Organization and passed through to sub recipients during the year ended June 30, 2020:

Department	Program	CFDA Number	Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	\$ 29,655
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	Block Grants for Community Mental Health Services	93.958	176,833
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	Block Grants for Prevention and Treatment of Substance Abuse	93.959	1,676,499
U.S. DEPARTMENT OF AGRICULTURE	Opioid State Targeted Response	93.788	164,492
Total			\$ 2,047,479

4. INDIRECT COST RATE

The Organization has elected to use the de minimis cost rate of 10% allowed under the Uniform Guidance during the year ended June 30, 2020.

UNITED WAY OF BROWARD COUNTY, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiencies identified that are not
considered to be material weaknesses?

_____ Yes X None reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Programs

Internal control over major programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiencies identified that are not
considered to be material weaknesses?

_____ Yes X None reported

Type of auditor's report issued on compliance for
major programs:

Unmodified

Any audit findings disclosed that are required to be
reported in accordance with 2 CFR 200.516(a)

_____ Yes X No

Identification of major programs:

CFDA Number

Name of Federal Program or Cluster

64.033

VA Supportive Services for Veteran
Families Program

Dollar threshold used to distinguish between Type A
and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 X Yes _____ No

UNITED WAY OF BROWARD COUNTY, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS

CURRENT YEAR FINDINGS

None

PRIOR YEAR FINDINGS

None

SECTION III – MAJOR FEDERAL PROGRAM FINDINGS AND QUESTIONED COSTS

CURRENT YEAR FINDINGS

None

PRIOR YEAR FINDINGS

None