

FINANCIAL STATEMENTS

UNITED WAY OF WEST FLORIDA, INC.

JUNE 30, 2021

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of United Way of West Florida, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of West Florida, Inc. as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the United Way of West Florida, Inc.'s 2020 financial statements, and in our report dated February 11, 2021, we expressed an unmodified audit opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Brown Shorten Parenta & Company, P.A.

Pensacola, Florida

March 16, 2022

STATEMENT OF FINANCIAL POSITION

UNITED WAY OF WEST FLORIDA, INC.

June 30, 2021

(with comparative totals for 2020)

	<u>ASSETS</u>	
	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 1,168,912	391,472
Pledges receivables, net	589,362	699,624
Accounts receivable	245,641	80,543
Prepaid expenses and other	81,319	46,372
Investments	1,180,870	910,341
Property and equipment, net	383,239	443,276
Land held for sale	-	46,175
	<hr/>	<hr/>
Total assets	<u>\$ 3,649,343</u>	<u>\$ 2,617,803</u>
	<u>LIABILITIES AND NET ASSETS</u>	
LIABILITIES		
Due to designated agencies	\$ 42,947	\$ 74,617
Allocations payable	700,000	556,982
Custodial funds payable	31,183	18,518
Accounts payable	26,055	66,219
Accrued expenses	43,974	34,680
Deferred revenue	76,503	-
Capital lease obligation	-	869
	<hr/>	<hr/>
Total liabilities	<u>920,662</u>	<u>751,885</u>
NET ASSETS		
Without donor restrictions	2,180,358	1,234,244
With donor restrictions	548,323	631,674
	<hr/>	<hr/>
Total net assets	<u>2,728,681</u>	<u>1,865,918</u>
Total liabilities and net assets	<u>\$ 3,649,343</u>	<u>\$ 2,617,803</u>

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

STATEMENT OF ACTIVITIES
UNITED WAY OF WEST FLORIDA, INC.

Year Ended June 30, 2021
(with comparative totals for 2020)

	2021			2020 Total
	Net Assets Without Restriction	Net Assets With Donor Restriction	Total	
Public support and revenue				
Gross campaign results	\$ 1,632,029	\$ 33,336	\$ 1,665,365	\$ 1,985,341
Less donor designations	(137,372)	-	(137,372)	(266,939)
Less provision for uncollectibles	(70,921)	-	(70,921)	(187,059)
Net campaign results	1,423,736	33,336	1,457,072	1,531,343
In-kind contributions	159,367	-	159,367	335,570
Contributions from outside service area	3,937	-	3,937	646
Investment return	195,799	-	195,799	37,863
Grants, contracts and program revenues	53,824	1,648,169	1,701,993	1,341,056
Other income	929,890	-	929,890	249,590
	2,766,553	1,681,505	4,448,058	3,496,068
Net assets released from restrictions				
Satisfaction of time and purpose	1,764,856	(1,764,856)	-	-
Total public support and revenues	4,531,409	(83,351)	4,448,058	3,496,068
Expenses				
Program services:				
Gross funds awarded/distributed	1,618,244	-	1,618,244	1,588,923
Less donor designations	(137,372)	-	(137,372)	(266,939)
Net funds awarded/distributed	1,480,872	-	1,480,872	1,321,984
Allocation expenses	55,439	-	55,439	59,447
Information and referral	259,374	-	259,374	427,299
Impact initiatives	857,836	-	857,836	555,013
Volunteer services	177,159	-	177,159	171,915
Total program services	2,830,680	-	2,830,680	2,535,658
Support services				
Fundraising	273,573	-	273,573	324,367
Organizational administration	438,283	-	438,283	558,289
Total supporting services	711,856	-	711,856	882,656
Payments to UW National	42,759	-	42,759	27,273
Total expenses	3,585,295	-	3,585,295	3,445,587
Change in net assets	946,114	(83,351)	862,763	50,481
Net assets, beginning of year	1,234,244	631,674	1,865,918	1,815,437
Net assets, end of year	\$ 2,180,358	\$ 548,323	\$ 2,728,681	\$ 1,865,918

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

STATEMENT OF FUNCTIONAL EXPENSES

UNITED WAY OF WEST FLORIDA, INC.

**Year Ended June 30, 2021
(with comparative totals for 2020)**

	Program Services						Supporting Services			Total	
	Gross Funds Awarded/ Distributed	Allocation Services	Impact Initiatives	Information and Referral	Volunteer Services	Total Program Services	Fundraising	Organizational Administration	Total Supporting Services	2021 Total Expenses	2020 Total Expenses
Expenses											
Gross funds awarded/distributed	\$ 1,618,244	\$ -	\$ -	\$ -	\$ -	\$ 1,618,244	\$ -	\$ -	\$ -	\$ 1,618,244	\$ 1,588,923
Less donor designations	(137,372)	-	-	-	-	(137,372)	-	-	-	(137,372)	(266,939)
Net funds awarded/distributed	1,480,872	-	-	-	-	1,480,872	-	-	-	1,480,872	1,321,984
Depreciation	-	1,173	17,487	2,314	3,780	24,754	5,266	7,008	12,274	37,028	45,636
Dues and subscriptions	-	274	4,599	549	915	6,337	1,298	2,150	3,448	9,785	13,146
Interest	-	-	2	-	-	2	1	320	321	323	632
Maintenance and repairs	-	10,180	29,659	75,199	671	115,709	4,602	5,090	9,692	125,401	20,164
Occupancy	-	2,207	35,851	4,411	7,990	50,459	10,276	17,469	27,745	78,204	77,210
Other	-	43	958	1,586	146	2,733	690	10,040	10,730	13,463	36,127
Personnel expenses	-	40,869	692,217	109,267	121,730	964,083	199,585	304,071	503,656	1,467,739	1,386,204
Postage	-	55	129	273	85	542	1,722	1,472	3,194	3,736	3,114
Printing and promotion	-	-	23,714	47,258	17,412	88,384	14,171	2,992	17,163	105,547	281,908
Professional services	-	31	6,505	16,208	22,304	45,043	32,250	75,595	107,845	152,888	150,421
Staff development	-	-	842	122	-	964	508	6,718	7,226	8,190	31,463
Supplies	-	7	260	405	162	834	462	1,785	2,247	3,081	3,457
Telephone	-	600	45,613	1,787	1,984	49,964	2,742	3,573	6,315	56,279	46,848
Total expenses, net of national dues	\$ 1,480,872	\$ 55,439	\$ 857,836	\$ 259,374	\$ 177,159	\$ 2,830,680	\$ 273,573	\$ 438,293	\$ 711,856	\$ 3,542,536	\$ 3,418,314
Payments to UW National	-	-	-	-	-	-	-	-	-	42,759	27,273
Total expenses	-	-	-	-	-	-	-	-	-	\$ 3,585,295	\$ 3,445,587

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

STATEMENT OF CASH FLOWS
UNITED WAY OF WEST FLORIDA, INC.

Year Ended June 30, 2021
(with comparative totals for 2020)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 862,763	\$ 50,481
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	37,026	45,635
(Gain) loss on disposal of property	(858,888)	5,397
Gain on sale of securities	(58,144)	(8,751)
Unrealized gain on investments	(126,766)	(13,956)
Provision for uncollectible accounts	176,163	187,059
Change in assets and liabilities		
Decrease (increase) in operating assets:		
Pledges receivable-net	(65,901)	15,199
Accounts receivable	(165,098)	35,708
Prepaid expenses	(34,947)	22,339
Increase (decrease) in operating liabilities:		
Due to designated agencies	(31,670)	(41,733)
Allocations payable	143,018	(400,023)
Custodial funds payable	12,665	12,465
Accounts payable	(40,164)	44,920
Accrued expenses	9,294	(59,068)
Deferred revenue	76,503	-
Net cash used by operating activities	<u>(64,146)</u>	<u>(104,328)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds on sale of securities	183,238	570,390
Purchases of investments	(268,857)	(252,306)
Acquisition of equipment	-	(7,571)
Proceeds on sale of property	928,074	-
Net cash provided by investing activities	<u>842,455</u>	<u>310,513</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on capital lease	(869)	(5,064)
Net cash used by financing activities	<u>(869)</u>	<u>(5,064)</u>
NET INCREASE IN CASH	777,440	201,121
Cash and equivalents, beginning of year	<u>391,472</u>	<u>190,351</u>
Cash and equivalents, end of year	<u>\$ 1,168,912</u>	<u>\$ 391,472</u>

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

NOTES TO FINANCIAL STATEMENTS

UNITED WAY OF WEST FLORIDA, INC.

NOTE A - ORGANIZATION

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

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

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

UNITED WAY OF WEST FLORIDA, INC.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Pledges Receivable - Pledges receivable are unconditional promises to give. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Conditional promises to give are not included as support until such time as the conditions are substantially met. There were no conditional promises made to the Organization during the year ended June 30, 2021. An allowance for uncollectible pledges receivable is provided based on management's estimate using prior collection history and current economic conditions.
5. Accounts Receivable - Accounts receivable consist primarily of grants or amounts due from providing services or goods. Management believes no allowance for doubtful accounts is necessary.
6. Investments - Investments are stated at fair value. Donated investments are recorded at fair value at the date of the gift.
7. Property and Equipment - Property and equipment are carried at cost or, if donated, at fair market value on date of gift. The Organization capitalizes asset acquisitions over \$5,000. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets as follows:

Buildings and improvements	15 - 30 years
Furniture and fixtures	5 - 10 years
Equipment	5 - 7 years

8. Program Revenue - The Organization adopted Accounting Standards Update No. 2014-19, *Revenue from Contracts with Customers (Topic 606)*, which affects contracts with customers to transfer goods or services. Contract receivables and liabilities at July 1, 2019 were \$116,251 and zero, respectively.

Revenue related to exchange transactions is recognized as goods and/or services are provided and is based on the amount expected to be received in exchange for those goods and/or services. The Organization recognizes client service revenue in the period in which performance obligations under its contracts are satisfied by transferring services to clients. The Organization measures the performance obligation on the date the services are provided to clients and third-party payers are sent.

9. Impairment of Long-Lived Assets - Management reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recovered. If such assets are considered impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair market value of the assets. As of June 30, 2021, none of the Organization's long-lived assets were considered to be impaired

NOTES TO FINANCIAL STATEMENTS

UNITED WAY OF WEST FLORIDA, INC.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Due to Designated Agencies - Donors contributing to the Organization may choose to designate that all or part of their contributions be distributed to specific agencies. These transactions are reported in the statement of activities as part of the Organization's campaign results and are then deducted to arrive at the net campaign revenue. Amounts deducted are carried as liabilities, net of an estimated allowance for uncollectible amounts, until paid to the designated agencies.

11. Donated Services and Materials - During the year ended June 30, 2021, an estimated 42,810 hours were volunteered by employees or local workplaces and unaffiliated volunteers participating in various volunteer activities, including but not limited to: Day of Caring, Stuff the Bus, Communities Caring at Christmas, Miracle on Palafox, the United Way Community Investment Process, and the United Way Ambassador Program. No value has been recognized for these volunteer hours in the financial statements, because the criteria established by the Financial Accounting Standards Board (FASB) for recognition of such volunteer efforts have not been satisfied.

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

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

12. Grants - The Organization records grant revenue over the period of the award and the provisions of the grant determine the timing of the revenue recognition. Grant expenses are recognized when incurred. Amounts that have been awarded but not received are recorded as grant receivable.

13. Allocation of Functional Expenses - The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been estimated and allocated among the programs and supporting services benefited based on management's best judgement.

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

NOTES TO FINANCIAL STATEMENTS

UNITED WAY OF WEST FLORIDA, INC.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

15. Income Taxes - United Way of West Florida, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal or state income taxes has been recognized. The Organization annually files federal information returns (Form 990), which are subject to possible examination by the taxing authorities until the expiration of the related statute of limitations, which is generally three years, for the years ended June 30, 2019 through 2021.

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

16. Financial Instruments - The Organization's financial instruments include cash, pledges and accounts receivable, certain investments, designated/allocations payable, accounts payable, accrued expenses, and capital lease obligations. The carrying values of cash, pledges and accounts receivable, designated/allocations payable, accounts payable and accrued expenses approximate their fair values due to their short-term nature. The carrying value of capital lease obligations approximates fair value due to their bearing interest at rates that approximate current market rates for notes with similar maturities and credit quality.
16. Comparative Financial Information - The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

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

NOTES TO FINANCIAL STATEMENTS

UNITED WAY OF WEST FLORIDA, INC.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

17. New Accounting Pronouncements - In February 2016, the FASB issued ASU 2016-02, Leases, which requires lessees to recognize on the statement of financial position the assets and liabilities for the rights and obligations created by leases with lease terms of more than twelve months. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee will continue to primarily depend on its classification as a finance or operating lease. However, unlike current U.S. GAAP, which requires only capital leases to be recognized on the statement of financial position, ASU 2016-02 will require both types of leases to be recognized on the statement of financial position. ASU 2016-02 also requires disclosures about the amount, timing, and uncertainty of cash flows arising from leases. These disclosures include qualitative and quantitative requirements, providing additional information about the amounts recorded in the financial statements. This standard is effective for fiscal periods beginning after December 15, 2021. The Organization plans to adopt this ASU for its year ending June 30, 2023.
18. Events Occurring After the Reporting Date - The Organization has evaluated events and transactions that occurred between June 30, 2021 and March 16, 2022, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

NOTE C - PLEDGES RECEIVABLE

Pledges receivable and changes in the allowance for uncollectible amounts during the year ended June 30, 2021, are summarized as follows:

Pledges receivable	\$	721,702
Allowance for uncollectible pledges:		
Balance - beginning of year		198,241
Add provision for uncollectible pledges		5,020
Deduct write-off of net uncollectible pledges and amounts received from prior campaigns		<u>(70,921)</u>
Balance - end of year		<u>132,340</u>
Pledges receivable - net	\$	<u>589,362</u>

No discount has been applied to the pledge receivable balance at June 30, 2021, as all pledges are collectible within one year.

NOTES TO FINANCIAL STATEMENTS

UNITED WAY OF WEST FLORIDA, INC.

NOTE D - INVESTMENTS

The Fair Value Measurements (FASB Accounting Standards Codification 820-10) provides a framework for measuring fair value under generally accepted accounting principles. Fair Value Measurements establishes a fair value. This hierarchy consists of three broad levels; Level 1 consists of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 consists of observable inputs other than quoted prices for identical assets; and Level 3 consists of significant unobservable inputs and have the lowest priority. The Organization measures fair value using Level 1 inputs; there were no Level 2 or Level 3 inputs at June 30, 2021.

Fair value of assets measured on a recurring basis at June 30, 2021, are as follows:

	Fair Value	Level 1
Mutual funds - equity	\$ 562,792	\$ 562,792
Mutual funds - fixed income	307,962	307,962
	\$ 870,754	\$ 870,754

Cost, fair value and unrealized gains from acquisition until June 30, 2021, for assets held as investments are summarized as follows:

	Cost	Fair Value	Unrealized Gains (Losses)
Cash	\$ 60,108	\$ 60,108	\$ -
Mutual funds - equity	344,205	562,792	218,587
Mutual funds - fixed income	297,214	307,962	10,748
	\$ 701,527	\$ 930,862	\$ 229,335

NOTES TO FINANCIAL STATEMENTS

UNITED WAY OF WEST FLORIDA, INC.

NOTE D - INVESTMENTS (Continued)

Investment return for the year ended June 30, 2021, is summarized as follows:

Dividends and interest	\$	17,845
Realized gains on sales of securities		58,144
Less investment expense		<u>(6,955)</u>
		69,034
Unrealized gains on investments		<u>126,765</u>
Investment return	\$	<u>195,799</u>

Investments at June 30, 2021, were included in the following net assets accounts:

Without restrictions	\$	813,944
With restrictions		<u>366,926</u>
	\$	<u>1,180,870</u>

NOTE E - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30, 2021:

Land	\$	23,088
Building improvements		1,143,825
Furniture and fixtures		56,923
Furniture and equipment		<u>102,228</u>
		1,326,064
Less accumulated depreciation		<u>(942,825)</u>
Property and equipment - Net	\$	<u>383,239</u>

Depreciation expense totaled \$37,026 for the year ended June 30, 2021.

NOTES TO FINANCIAL STATEMENTS

UNITED WAY OF WEST FLORIDA, INC.

NOTE F - DESIGNATIONS AND ALLOCATIONS PAYABLE

Due to designated agencies, allocations payable and custodial funds payable at June 30, 2021 represent either designations by donors or allocations payable as determined by the Organization. These amounts are all due and payable within one year.

NOTE G - CAPITAL LEASE OBLIGATION

The Organization leases office equipment. Obligations under capital leases have been recorded in the accompanying financial statements at the present value of future minimum lease payments. The capitalized cost and accumulated depreciation of this equipment at June 30, 2021, was \$24,201 and \$24,201, respectively.

<u>Years Ending June 30,</u>	<u>Amounts</u>
2022	\$ 1,320
2023	1,320
2024	1,320
2025	1,320
2026	<u>220</u>
Total future payments	5,500
Less amounts representing interest	<u>55</u>
Present value of future payments	<u><u>\$ 5,445</u></u>

Interest paid and expensed under these leases for the year ended June 30, 2021, was \$4.

NOTES TO FINANCIAL STATEMENTS

UNITED WAY OF WEST FLORIDA, INC.

NOTE H - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted at June 30, 2021 for the following purposes or periods:

Subject to expenditure for specified purpose:	
Grants, fiscal agent funds, and other initiatives	\$ 42,602
Achieve Escambia	58,612
Time	<u>2,250</u>
Total subject to expenditure for specified purpose	103,464
Endowment subject to Organization's spending policy and appropriation:	
Endowment funds (see Note I)	<u>366,926</u>
	<u>\$ 470,390</u>

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

Grants, fiscal agent funds, and other initiatives	\$ 969,634
Campaign pledges, other gifts	52,330
Annual Meeting, Miracle on Palafox, Stuff the Bus and Day of Caring	<u>742,891</u>
	<u>\$ 1,764,855</u>

NOTE I - ENDOWMENT FUNDS

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

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

NOTES TO FINANCIAL STATEMENTS

UNITED WAY OF WEST FLORIDA, INC.

NOTE I - ENDOWMENT FUNDS (Continued)

The composition and changes in endowment funds for the year ended June 30, 2021, are as follows:

Endowments:

Endowment net assets, beginning of year	\$	366,926
Investment income		7,520
Net unrealized and realized gains (losses)		111,561
Investment expenses		2,931
Amounts appropriated		<u>(122,012)</u>
Endowment net assets, end of year	\$	<u>366,926</u>

NOTE J - IN-KIND GIFTS

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

Printing, media advertising and promotion	\$	51,531
Cram the Van and related in-kind distributions		400
Miscellaneous, operating supplies, and expenses		<u>107,436</u>
	\$	<u>159,367</u>

NOTES TO FINANCIAL STATEMENTS

UNITED WAY OF WEST FLORIDA, INC.

NOTE K - EMPLOYEE BENEFIT PLAN

The Organization sponsors a 401K retirement plan through their employee leasing company. The plan covers substantially all the Organization's employees who have met certain service requirements. Employees' vesting is based on a five-year schedule. Employer contributions are 50% of employee contributions with a 3% cap on the employer match and amounted to \$10,697 during the year ended June 30, 2021.

NOTE L - RELATED PARTIES

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

The Organization is required to make payments for membership privileges to the related national organization. For the year ended June 30, 2021, payments to national were \$42,759.

NOTE M - CONCENTRATION OF RISK

The standard FDIC coverage is \$250,000 at each financial institution. As of June 30, 2021, the Organization maintained cash balances of \$939,372 in excess of FDIC coverage.

NOTE N - RISKS AND UNCERTAINTIES

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

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

NOTES TO FINANCIAL STATEMENTS

UNITED WAY OF WEST FLORIDA, INC.

NOTE O - LIQUIDITY AND AVAILABILITY

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

Financial Assets	
Cash and equivalents	\$ 1,168,912
Receivables	835,003
Investments	<u>1,180,870</u>
Total	<u>3,184,785</u>
Less those unavailable for general expenditure within one year, due to:	
Net assets with donor restrictions	<u>(548,323)</u>
Financial assets available to meet cash needs	<u>\$ 2,636,462</u>

NOTE P - COVID-19

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