

United Way of Brevard County, Inc.

**June 30,
2021 and 2020**

**Financial
Statements**



WHITTAKER COOPER
CERTIFIED PUBLIC ACCOUNTANTS

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WHITTAKER COOPER

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Way of Brevard County, Inc.
Rockledge, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of United Way of Brevard County, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Brevard County, Inc. as of June 30, 2021 and 2020, 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 schedule of expenditures of federal awards, 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*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2022, on our consideration of United Way of Brevard County, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 United Way of Brevard County, Inc.'s internal control over financial reporting and compliance.

Whittaker Cooper Certified Public Accountants

Whittaker Cooper Certified Public Accountants
Melbourne, Florida
January 8, 2022

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UNITED WAY OF BREVARD COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021

| ASSETS | Without Donor | With Donor | Total |
|---|----------------------------|--------------------------|----------------------------|
| | Restrictions | Restrictions | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | \$ 786,863 | \$ 526,487 | \$ 1,313,350 |
| Investments | 3,571,378 | - | 3,571,378 |
| Grant and contract receivables | 201,363 | - | 201,363 |
| Unconditional promises to give, net | 2,105,505 | - | 2,105,505 |
| Prepaid expenses | 35,496 | - | 35,496 |
| | <u>6,700,605</u> | <u>526,487</u> | <u>7,227,092</u> |
| PROPERTY AND EQUIPMENT, net | 21,425 | - | 21,425 |
| OTHER ASSETS | <u>1,233,333</u> | <u>-</u> | <u>1,233,333</u> |
| | <u><u>\$ 7,955,363</u></u> | <u><u>\$ 526,487</u></u> | <u><u>\$ 8,481,850</u></u> |
| LIABILITIES AND NET ASSETS | | | |
| CURRENT LIABILITIES | | | |
| Accounts payables, trade | \$ 110,522 | \$ - | \$ 110,522 |
| Accrued compensated absences | 50,959 | - | 50,959 |
| Other current liabilities | 64,173 | - | 64,173 |
| Board approved agency allocations payable | 2,717,586 | - | 2,717,586 |
| Pass through designations | 92,035 | - | 92,035 |
| Donor designations payable | 461,698 | - | 461,698 |
| | <u>3,496,973</u> | <u>-</u> | <u>3,496,973</u> |
| COMMITMENTS AND CONTINGENCIES | | | |
| NET ASSETS | | | |
| Without donor restrictions | | | |
| Undesignated | 2,402,726 | - | 2,402,726 |
| Board designated for specific purposes | 2,055,664 | - | 2,055,664 |
| | <u>4,458,390</u> | <u>-</u> | <u>4,458,390</u> |
| With donor restrictions | - | 526,487 | 526,487 |
| | <u>4,458,390</u> | <u>526,487</u> | <u>4,984,877</u> |
| | <u><u>\$ 7,955,363</u></u> | <u><u>\$ 526,487</u></u> | <u><u>\$ 8,481,850</u></u> |

See accompanying notes

UNITED WAY OF BREVARD COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020

| ASSETS | Without Donor | With Donor | Total |
|---|----------------------|---------------------|---------------------|
| | Restrictions | Restrictions | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | \$ 1,360,202 | \$ 512,141 | \$ 1,872,343 |
| Investments | 2,780,499 | - | 2,780,499 |
| Grant and contract receivables | 161,037 | - | 161,037 |
| Unconditional promises to give, net | 2,009,878 | - | 2,009,878 |
| Inventory - gifts in kind | 77,368 | - | 77,368 |
| Prepaid expenses | 37,224 | - | 37,224 |
| | 6,426,208 | 512,141 | 6,938,349 |
| PROPERTY AND EQUIPMENT, net | 33,120 | - | 33,120 |
| OTHER ASSETS | 1,056,618 | - | 1,056,618 |
| | <u>\$ 7,515,946</u> | <u>\$ 512,141</u> | <u>\$ 8,028,087</u> |
| LIABILITIES AND NET ASSETS | | | |
| CURRENT LIABILITIES | | | |
| Accounts payables, trade | \$ 91,078 | \$ - | \$ 91,078 |
| Refundable advances | 410,000 | - | 410,000 |
| Accrued compensated absences | 56,634 | - | 56,634 |
| Other current liabilities | 17,420 | - | 17,420 |
| Unearned revenue | 179,940 | - | 179,940 |
| Board approved agency allocations payable | 2,642,801 | - | 2,642,801 |
| Pass through designations | 303,126 | - | 303,126 |
| Donor designations payable | 378,029 | - | 378,029 |
| | 4,079,028 | - | 4,079,028 |
| COMMITMENTS AND CONTINGENCIES | | | |
| NET ASSETS | | | |
| Without donor restrictions | | | |
| Undesignated | 2,260,191 | - | 2,260,191 |
| Board designated for specific purposes | 1,176,727 | - | 1,176,727 |
| | 3,436,918 | - | 3,436,918 |
| With donor restrictions | - | 512,141 | 512,141 |
| | 3,436,918 | 512,141 | 3,949,059 |
| | <u>\$ 7,515,946</u> | <u>\$ 512,141</u> | <u>\$ 8,028,087</u> |

See accompanying notes

UNITED WAY OF BREVARD COUNTY, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|---------------------------------------|------------------------------------|---------------------|
| SUPPORT AND REVENUES | | | |
| Campaign revenue | | | |
| Gross United Way campaign results | \$ 5,373,904 | \$ 261,580 | \$ 5,635,484 |
| Gross other campaign results | 75,240 | 142,886 | 218,126 |
| Less donor designated | (1,066,382) | (55,677) | (1,122,059) |
| Less change in provision for uncollectible pledges | (262,130) | (15,695) | (277,825) |
| Net campaign revenue | <u>4,120,632</u> | <u>333,094</u> | <u>4,453,726</u> |
| Other revenue | | | |
| Contributions - gifts in kind | 6,278,150 | - | 6,278,150 |
| Contributions - COVID-19 response | 189,990 | | 189,990 |
| Endowment investment income, net | 107,371 | - | 107,371 |
| Endowment contributions | 278,532 | - | 278,532 |
| Grants and contracts | 1,736,288 | 32,200 | 1,768,488 |
| Investment income, net | 550,847 | - | 550,847 |
| Administration service fee revenue | 30,581 | - | 30,581 |
| Special event (net of expenses) | 4,220 | - | 4,220 |
| Paycheck Protection Pgm. loan forgiveness | 410,000 | - | 410,000 |
| Other | 12,294 | - | 12,294 |
| Total other revenue | <u>9,598,273</u> | <u>32,200</u> | <u>9,630,473</u> |
| Net assets released from restrictions | <u>350,948</u> | <u>(350,948)</u> | <u>-</u> |
| Total revenues, gains and other support | <u>14,069,853</u> | <u>14,346</u> | <u>14,084,199</u> |
| EXPENSES | | | |
| Program | 12,109,720 | - | 12,109,720 |
| Management and general | 344,580 | - | 344,580 |
| Fundraising | 594,081 | - | 594,081 |
| Total expenses | <u>13,048,381</u> | <u>-</u> | <u>13,048,381</u> |
| INCREASE IN NET ASSETS | | | |
| | 1,021,472 | 14,346 | 1,035,818 |
| NET ASSETS, beginning of year | <u>3,436,918</u> | <u>512,141</u> | <u>3,949,059</u> |
| NET ASSETS, end of year | <u>\$ 4,458,390</u> | <u>\$ 526,487</u> | <u>\$ 4,984,877</u> |

See accompanying notes

UNITED WAY OF BREVARD COUNTY, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

| SUPPORT AND REVENUES | Without Donor | With Donor | Total |
|--|----------------------|---------------------|---------------------|
| | Restrictions | Restrictions | |
| Campaign revenue | | | |
| Gross campaign results | \$ 5,506,584 | \$ 398,753 | \$ 5,905,337 |
| Gross other campaign results | (87,012) | 243,674 | 156,662 |
| Less donor designated | (799,474) | (129,747) | (929,221) |
| Less change in provision for uncollectible pledges | (292,572) | (23,925) | (316,497) |
| Net campaign revenue | <u>4,327,526</u> | <u>488,755</u> | <u>4,816,281</u> |
| Other revenue | | | |
| Contributions - gifts in kind | 360,845 | - | 360,845 |
| Contributions - COVID-19 response | 409,966 | | 409,966 |
| Endowment investment income, net | 12,107 | - | 12,107 |
| Endowment contributions | 161,115 | - | 161,115 |
| Grants and contracts | 1,436,344 | 52,100 | 1,488,444 |
| Investment income, net | 36,951 | - | 36,951 |
| Administration service fee revenue | 48,340 | - | 48,340 |
| Special event (net of expenses) | 4,115 | - | 4,115 |
| Other | 553 | - | 553 |
| Total other revenue | <u>2,470,336</u> | <u>52,100</u> | <u>2,522,436</u> |
| Net assets released from restrictions | <u>683,434</u> | <u>(683,434)</u> | <u>-</u> |
| Total revenues, gains and other support | <u>7,481,296</u> | <u>(142,579)</u> | <u>7,338,717</u> |
| EXPENSES | | | |
| Program | 6,092,581 | - | 6,092,581 |
| Management and general | 362,719 | - | 362,719 |
| Fundraising | 680,622 | - | 680,622 |
| Total expenses | <u>7,135,922</u> | <u>-</u> | <u>7,135,922</u> |
| INCREASE IN NET ASSETS | 345,374 | (142,579) | 202,795 |
| NET ASSETS, beginning of year | <u>3,091,544</u> | <u>654,720</u> | <u>3,746,264</u> |
| NET ASSETS, end of year | <u>\$ 3,436,918</u> | <u>\$ 512,141</u> | <u>\$ 3,949,059</u> |

See accompanying notes

UNITED WAY OF BREVARD COUNTY, INC.
FUNCTIONAL EXPENSE ANALYSIS
YEAR ENDED JUNE 30, 2021

| | Community Impact and Program Services | Management and General | Fundraising | Total |
|--|--|-----------------------------------|--------------------------|-----------------------------|
| DIRECT PROGRAM EXPENSE | | | | |
| Allocations to agencies | \$ 2,737,586 | \$ - | \$ - | \$ 2,737,586 |
| Strategic allocations and internal designations | 329,273 | - | - | 329,273 |
| Grant expenditures | 812,117 | - | - | 812,117 |
| | <u>3,878,976</u> | <u>-</u> | <u>-</u> | <u>3,878,976</u> |
| SALARIES, WAGES, AND EMPLOYEE BENEFITS | | | | |
| Salaries and wages | 1,149,405 | 157,855 | 352,991 | 1,660,251 |
| Payroll taxes | 86,005 | 11,586 | 26,005 | 123,596 |
| Employee benefits | 282,046 | 55,090 | 62,110 | 399,246 |
| | <u>1,517,456</u> | <u>224,531</u> | <u>441,106</u> | <u>2,183,093</u> |
| OTHER EXPENSES | | | | |
| Campaign supplies | - | - | 3,151 | 3,151 |
| Computer software | 19,552 | 3,975 | 6,725 | 30,252 |
| Contractual services | 46,204 | 33,437 | 28,649 | 108,290 |
| Contributor/volunteer recognition | 4,132 | 424 | 5,408 | 9,964 |
| Equipment/leases/maintenance | 21,587 | 1,548 | 7,682 | 30,817 |
| Insurance | 10,104 | 1,263 | 3,079 | 14,446 |
| Mileage and local travel | 15,154 | 1,419 | 4,175 | 20,748 |
| Miscellaneous | 553 | 38,375 | 1,095 | 40,023 |
| Office supplies | 13,666 | 3,161 | 1,771 | 18,598 |
| Occupancy | 85,388 | 17,464 | 34,234 | 137,086 |
| Payments to affiliated organizations | 49,024 | 6,938 | 16,914 | 72,876 |
| Postage | 3,059 | 1,241 | 3,056 | 7,356 |
| Promotional printing and advertising | 19,924 | 3,887 | 24,784 | 48,595 |
| Staff and volunteer development | 10,412 | 2,059 | 2,826 | 15,297 |
| Subscriptions, fees, and dues | 6,739 | 1,785 | 3,902 | 12,426 |
| Telephone | 26,731 | 1,961 | 2,809 | 31,501 |
| | <u>332,229</u> | <u>118,937</u> | <u>150,260</u> | <u>601,426</u> |
| NONCASH EXPENSES | | | | |
| In-kind distributions/fees | 6,373,191 | - | - | 6,373,191 |
| Depreciation and amortization | 7,868 | 1,112 | 2,715 | 11,695 |
| | <u>6,381,059</u> | <u>1,112</u> | <u>2,715</u> | <u>6,384,886</u> |
| TOTAL EXPENSES | <u>\$ 12,109,720</u> | <u>\$ 344,580</u> | <u>\$ 594,081</u> | <u>\$ 13,048,381</u> |

See accompanying notes

UNITED WAY OF BREVARD COUNTY, INC.

FUNCTIONAL EXPENSE ANALYSIS

YEAR ENDED JUNE 30, 2020

| | Community Impact and Program Services | Management and General | Fundraising | Total |
|--|--|-----------------------------------|--------------------|---------------------|
| DIRECT PROGRAM EXPENSE | | | | |
| Allocations to agencies | \$ 2,632,800 | \$ - | \$ - | \$ 2,632,800 |
| Strategic allocations and internal designations | 297,135 | - | - | 297,135 |
| Grant expenditures | <u>1,023,444</u> | <u>-</u> | <u>-</u> | <u>1,023,444</u> |
| | <u>3,953,379</u> | <u>-</u> | <u>-</u> | <u>3,953,379</u> |
| SALARIES, WAGES, AND EMPLOYEE BENEFITS | | | | |
| Salaries and wages | 1,048,013 | 207,166 | 392,995 | 1,648,174 |
| Payroll taxes | 76,916 | 17,454 | 29,207 | 123,577 |
| Employee benefits | <u>272,825</u> | <u>46,114</u> | <u>80,946</u> | <u>399,885</u> |
| | <u>1,397,754</u> | <u>270,734</u> | <u>503,148</u> | <u>2,171,636</u> |
| OTHER EXPENSES | | | | |
| Campaign supplies | - | - | 5,358 | 5,358 |
| Computer software | 18,953 | 2,041 | 6,781 | 27,775 |
| Contractual services | 51,970 | 3,707 | 20,401 | 76,078 |
| Contributor/volunteer recognition | 2,149 | 352 | 8,778 | 11,279 |
| Equipment/leases/maintenance | 14,879 | 5,260 | 4,781 | 24,920 |
| Insurance | 9,544 | 1,351 | 3,293 | 14,188 |
| Mileage and local travel | 41,192 | 1,883 | 8,577 | 51,652 |
| Miscellaneous | 1,962 | 25,639 | 8,385 | 35,986 |
| Office supplies | 16,598 | 1,881 | 4,893 | 23,372 |
| Occupancy | 76,226 | 13,990 | 34,058 | 124,274 |
| Payments to affiliated organizations | 61,124 | 8,650 | 21,089 | 90,863 |
| Postage | 2,987 | 3,115 | 3,304 | 9,406 |
| Promotional printing and advertising | 27,586 | 5,628 | 34,130 | 67,344 |
| Staff and volunteer development | 21,494 | 1,985 | 6,805 | 30,284 |
| Subscriptions, fees, and dues | 7,165 | 257 | 3,220 | 10,642 |
| Telephone | <u>23,719</u> | <u>1,190</u> | <u>3,621</u> | <u>28,530</u> |
| | <u>377,548</u> | <u>76,929</u> | <u>177,474</u> | <u>631,951</u> |
| NONCASH EXPENSES | | | | |
| In-kind distributions/fees | 363,900 | - | - | 363,900 |
| Depreciation and amortization | <u>-</u> | <u>15,056</u> | <u>-</u> | <u>15,056</u> |
| | <u>363,900</u> | <u>15,056</u> | <u>-</u> | <u>378,956</u> |
| TOTAL EXPENSES | \$ 6,092,581 | \$ 362,719 | \$ 680,622 | \$ 7,135,922 |

See accompanying notes

UNITED WAY OF BREVARD COUNTY, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2021 AND 2020

| | 2021 | 2020 |
|--|--------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Increase in net assets | \$ 1,035,818 | \$ 202,795 |
| Adjustments to reconcile the increase in net assets to net cash provided by (used in) operating activities | | |
| Depreciation and amortization | 11,695 | 15,056 |
| Forgiveness of Paycheck Protection Program loan | (410,000) | - |
| Investment income, net | (566,989) | (49,058) |
| (Increase) decrease in operating assets | | |
| Grant and contract receivables | (40,326) | 5,856 |
| Unconditional promises to give | (95,627) | 343,428 |
| Inventory - gifts in kind | 77,368 | 1,315 |
| Prepaid expenses | 1,728 | (11,960) |
| Increase (decrease) in operating liabilities | | |
| Accounts payables, trade | 19,444 | (64,614) |
| Accrued compensated balances | (5,675) | 25,657 |
| Other current liabilities | 46,753 | (9,514) |
| Unearned revenue | (179,940) | 179,940 |
| Board approved agency allocations payable | 74,785 | (179,600) |
| Pass thru designations | (211,091) | (210,441) |
| Donor designations payable | 83,669 | (68,408) |
| NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | (158,388) | 180,452 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Cash transfers from investment accounts | 12,000 | 115,478 |
| Cash advanced on note receivable | 25,000 | (25,000) |
| Cash transfers to investment accounts | (437,605) | (161,115) |
| NET CASH USED IN INVESTING ACTIVITIES | (400,605) | (70,637) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from Paycheck Protection Program loan | - | 410,000 |
| NET CASH PROVIDED BY FINANCING ACTIVITIES | - | 410,000 |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | (558,993) | 519,815 |
| CASH AND CASH EQUIVALENTS, beginning of year | 1,872,343 | 1,352,528 |
| CASH AND CASH EQUIVALENTS, end of year | \$ 1,313,350 | \$ 1,872,343 |
| SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES | | |
| In-kind contribution of goods and services | \$ 6,278,150 | \$ 360,845 |

See accompanying notes

UNITED WAY OF BREVARD COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and nature of activities

United Way of Brevard County, Inc. (UWBC or the Organization) is a health and human services not-for-profit organization with headquarters located in Rockledge, Florida. UWBC began operations in 1957 and was established to provide assistance to the Brevard County community through resource development, community planning, and direct community services. We are governed by a volunteer Board of Directors representing many interests within the County and had 36 employees as of June 30, 2021.

Our mission is to be Brevard's leader in mobilizing the caring power of our community.

To accomplish our mission, UWBC coordinates an annual fundraising campaign and strategically distributes funds to local programs based on the potential return on investment and quantifiable results. In addition to the annual fundraising campaign, your United Way, guided by a Board of Directors, sets community priorities that will improve lives and strengthen our community. To do that, we must help build the skillsets necessary to move from merely surviving to thriving. That is why we are focusing on three fundamental building blocks that allow you to move beyond poverty to a better quality of life – Education, Financial Stability, and Health. Together, those building blocks create a sturdy foundation not just for one family, but our entire community.

- **Health** - Being healthy is vital, making it possible for youth to be successful in school, individuals to be productive at work, and for all to live a good life. Our United Way was able to make our community healthier by focusing our efforts on Health Care Access/Literacy, Child Abuse Prevention (Healthy Families) and United Way's Feed and Read Program. Through a grant from the University of South Florida, United Way navigators assisted consumers, small businesses, and their employees as they looked for health coverage with the online Health Insurance Marketplace. Through funding from the Ounce of Prevention Fund, Healthy Families Brevard helps local families prevent child abuse and neglect and promotes healthy child development. Finally, our Feed and Read Program is a cross promotional strategy addressing summer hunger and reading loss by providing children with books each week, take-home meals, and trained reading mentors.

Additionally, in August 2020 the Ounce of Prevention Fund provided additional funding through the Child Abuse Prevention Treatment Act (CAPTA) to expand the Healthy Families services specifically to newborns that have been born exposed to substances.

- **Education** - Quality education is the cornerstone of our work in changing lives and strengthening our community. Research shows that a strong educational foundation leads to better employment opportunities and a more competitive workforce. Higher educational attainment is a direct corollary to higher income, better health and a host of other factors that make individuals and communities more productive. United Way's educational strategies include greater access to books, expanding reading mentoring and reducing summer learning loss.
- **Financial Stability** - Without the ability to pay their mortgage or rent, families may find it impossible to achieve a sense of security, let alone take the steps necessary to create a better life for themselves. That's why our work in income is focused on helping people become financially stable through the following programs: Volunteer Income Tax Assistance (VITA) sites and financial education classes. Local VITA site volunteers prepare tax returns for low-to-moderate income workers, saving preparation costs, and assisting with eligible tax credit claims. The financial education (FDIC 'Money Smart' course) teaches how to budget, save money, and use credit wisely.

UNITED WAY OF BREVARD COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Organization and nature of activities (continued)

- **Housing Opportunities for Persons with AIDS Program (HOPWA)** - UWBC serves as the fiscal agent for the HOPWA program which provides mortgage, rent, and utilities assistance to persons that qualify under a grant from the Florida Department of Health.
- **Gifts in Kind Program** - UWBC provides health and human service organizations access to quality donated goods to improve the agency's ability to provide services that make our community safer and stronger.
- **Disaster Preparedness and Response** - In the event of a disaster in Brevard County, UWBC is responsible for staging and managing Brevard County's Four Points of Distribution, staffing and assisting in the management of Emergency Support Function 15 (Donations and Volunteer Management), staffing the Disaster Response Centers established by FEMA (Federal Emergency Management Agency), and management of Volunteers Reception Center. The United Way Volunteer Corp has been created to recruit and train volunteers to assist with these responsibilities, as well as to help support staffing at the 2-1-1 call center.

UWBC is a member of the United Way Worldwide (Worldwide). As such, UWBC is committed to comply with the requirements contained in Worldwide's *Financial Statement Standards* and *Cost Deduction Standards*.

Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB), Accounting Standards Codification (ASC) 958, *Not-for-profit Entities*, as amended by Accounting Standard Update (ASU) No. 2016-14. ASU 2016-14 was effective for fiscal years beginning after December 15, 2017 and the Organization adopted it on July 1, 2018.

FASB ASC 958 requires a not-for-profit entity to present on the face of the statement of financial position amounts for two classes of net assets; net assets without donor restrictions and net assets with donor restrictions, and on the face of the statement of activities the amount of change in each of the two classes. In addition, the Organization is required to present:

- The amounts of expenses by both their natural classification and their functional classification, including disclosures concerning the methods used for cost allocation between functional classifications.
- Qualitative and quantitative disclosure information on liquidity and availability of financial assets to meet the Organization's cash needs for general expenditure within one year.
- The composition of donor restricted net assets at period-end.
- Self-imposed limits on use of resources without donor restrictions at the end of the period, including designations and reserves.
- Investment returns net of external and direct internal investment expenses and no longer require the disclosure of those netted expenses.

UNITED WAY OF BREVARD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

For purposes of the statement of cash flows, UWBC considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments

Investments are reported in the statement of financial position at fair value based on quoted market prices. Investment income consists of interest income, dividend income, and realized and unrealized investment gains and losses, net of investment expenses. Any change in fair value is included as a component of current earnings. Dividends on marketable equity securities are recognized as income when declared. Gains and losses upon disposal are determined on the first-in, first-out basis.

Grant and Contract Receivables

It is the policy of UWBC management to review the outstanding receivables at year-end to determine the collectability of the accounts. Based on current account composition and historical experience, management considers all receivables to be fully collectible, and as such, no allowance for uncollectible receivables has been reported on the accompanying statements of financial position as of June 30, 2021 and 2020.

Unconditional promises to give

Campaigns are conducted on a calendar year basis. The majority of unconditional promises to give are made during the fall pledge drive and are due by the end of the following campaign year, which typically runs from March through the following February. Thus, campaign contributions are treated as with donor restrictions in the year of the campaign and are transferred to without donor restrictions the following year when the time restriction has expired and the campaign proceeds are used to fund UWBC's programs and supporting services.

An allowance for uncollectible pledges is calculated for each campaign. The allowance for uncollectible pledges is based on gross pledges. This allowance takes into consideration historical collection experience and current economic factors. An allowance for uncollectible pledges of 6% for the 2019, 2020, and 2021 campaign years was recognized.

Inventory - gifts in kind

Inventory consists of donated merchandise to be distributed to nonprofit organizations in Brevard County and is reflected at its estimated fair value (see Donated services and materials).

Property and equipment

Buildings, improvements, and furniture and equipment are recorded at cost if purchased or at estimated fair value at date of donation if donated. UWBC capitalizes all items with a cost of \$2,500 or more and an estimated useful life of at least three years. Depreciation is computed on the straight-line basis over the expected useful lives of the assets, with buildings and improvements depreciated over thirty-nine years and furniture and equipment over three to twelve years. Other expenditures for repairs and maintenance are charged to expenses as incurred. The carrying amount and accumulated depreciation of assets that are sold or retired are removed from the accounts in the year of disposal and any resulting gain or loss is included in the statement of activities.

UNITED WAY OF BREVARD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Allocations payable to agencies

UWBC annually allocates funds to its partner agencies. The Board of Directors approves the total amount of allocations to be distributed for the next fiscal year. The amounts allocated to the individual agencies are determined by community volunteers during the annual fund distribution process. Once the Board approves the allocations, agreements are executed with the agencies prior to June 30th of each year. Allocations are recognized when communicated to the agencies as an expense and a liability.

Refundable advance

In April 2020, as a benefit of the CARES Act passed in response to the ongoing COVID-19 pandemic, UWBC obtained a Payroll Protection Program (PPP) loan in the amount of \$410,000. The loan is forgivable if used for qualifying expenses. UWBC was notified that the balance was forgiven and reclassified the liability to grant revenue.

Donor designations

Donor designations are cash or pledges that the donor specifically directs to a particular 501(c)(3) health and human service organization. Under accounting principles generally accepted in the United States of America, donor designations do not constitute campaign revenue or program expense and are reported on the statement of financial position as a current liability. These funds are held by UWBC as an agent and are distributed to the intended organizations when collected, net of a 11.8% service fee for the 2021 campaign or a maximum of \$75 per donor.

Net assets

Not-for-profit organizations are required by generally accepted accounting principles in the United States of America to classify net assets into two categories based on the existence or absence of donor-imposed restrictions:

Without donor restrictions - those that are not subject to any donor-imposed restrictions.

With donor restrictions - those subject to donor-imposed restrictions either for purpose or time.

All contributions to UWBC are considered available for use unless specifically restricted by the donor. Contributions that are restricted by the donor are reported as increases in without donor restrictions net assets if the restrictions expire during the fiscal year in which the contributions are received. Investment income that is limited to specific uses by donor restrictions is reported as an increase in without donor restrictions net assets if the restrictions are met within the same reporting period as the income is recognized. All other donor-restricted contributions are reported as with donor restrictions net assets which are reclassified to without donor restrictions net assets in future periods when the donor stipulations have been met.

Board designated net assets are voluntary, Board approved segregations of the UWBC net assets without donor restrictions for specific purposes.

UNITED WAY OF BREVARD COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Support and revenue recognition

Pledges and other donations are recognized as revenue when received or when the donor makes an unconditional promise to give to UWBC, whichever is earlier. Noncash donations are recorded at their estimated fair value on the date of receipt. Conditional promises to give, including cost reimbursable grants, are recognized when the conditions on which they depend are substantially met.

Contributions are recognized as revenue, increasing net assets without donor restrictions unless the donor restricts their use to a particular period or purpose. In the absence of donor stipulations to the contrary, UWBC reports pledges restricted for use as time restricted to that period. Time restrictions expire when the pledges are due. Purpose restrictions expire when the contributed resources are spent for their stipulated purpose.

UWBC does not receive membership dues or service charges from charitable organizations participating as members in the federation.

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958) *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in ASU 2018-08 provide guidance on determining whether a transaction should be accounted for as a contribution or as an exchange transaction, determining whether a contribution is conditional, and modifies the simultaneous release option currently in U.S. GAAP, which allows a not-for-profit organization to recognize a restricted contribution directly in net assets without donor restrictions if the restriction is met in the same period that the revenue is recognized. This election may now be made for all restricted contributions that were initially classified as conditional without having to elect it for all other restricted contributions and investment returns.

Management has adopted ASU 2018-08 on July 1, 2019.

Fundraising expenses

Fundraising expenses are recognized when incurred, regardless of the campaign year to which they relate.

Functional expenses

Expenses are charged to each function or grant based on direct expenditures incurred. There are specific allocation tables prepared based on the location and function of the staff. Staff time studies and usage reports are used to determine the allocation of functional expenses.

All costs are directly expensed if the identification of the specific expense is possible. If an expense is not able to be charged directly to a specific program but benefits all programs and is necessary for the operation of the organization, it is allocated based on the following factors:

- 1) Percent of total time for all staff on specific programs.
- 2) Determining if the expense is allowable and allocable.
- 3) The staff's office location.
- 4) The office location where the expense was incurred.

Management develops the plan in a reasonable and consistent method for the allocation of all eligible expenses.

UNITED WAY OF BREVARD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences

Employees of the Organization are entitled to paid vacation and personal days off depending on their job classification, length of service, and other factors. The Organization's policy is to recognize the costs of the compensated absences when earned and has accrued a liability for compensated absences of \$50,959 (2021) and \$56,634 (2020) as reported on the statements of financial position.

Promotional printing and advertising costs

UWBC expenses its promotional printing and advertising costs as incurred. Promotional printing and advertising expenses were \$48,595 (2021) and \$67,344 (2020).

Income taxes

UWBC is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the financial statements.

FASB ASC 740, *Accounting for Income Taxes*, prescribes a recognition threshold and measurement attribute of the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

Management evaluates the Organization's tax positions on an annual basis, both past and current. If management determines that a past or current tax position is uncertain then a tax liability is calculated to represent the increase in taxes anticipated upon examination. As of June 30, 2021, management has determined that all past and current tax positions were likely to be realizable and sustainable upon examination and that the calculation of a tax liability was not necessary.

Tax years ended June 30, 2018 through 2021 remain subject to possible examination by the Internal Revenue Service.

Donated services and materials

A substantial number of volunteers donate significant amounts of their time to support UWBC's fundraising campaign and community initiatives. However, since the donated time does not meet the criteria for recognition under the applicable accounting standards, the costs of the donated time is not included in the financial statements. During the year ended June 30, 2021, approximately 23,000 service hours were donated by approximately 500 volunteers. During the year ended June 30, 2020, approximately 31,000 service hours were donated by approximately 1,500 volunteers.

Donated materials are reflected as support in the accompanying statement of activities at their estimated fair value at the date of receipt. A corresponding In-kind contributions expense for distributed donations is recorded on the statement of functional expenses. Donated materials that were not yet distributed to agencies are reflected as Inventory- gifts in kind on the statement of financial position. All such inventory was distributed to outside agencies by June 30, 2021. Under its Gifts in Kind program, UWBC received a total of \$6,278,150 (2021) and \$360,845 (2020) and distributed a total of \$6,373,191 (2021) and \$363,900 (2020) in donated materials. The majority of the gifts in kind consisted of personal protection equipment in response to the COVID-19 pandemic, received from a single source, and nonrecurring.

UNITED WAY OF BREVARD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from these estimates.

NOTE 2 – RECLASSIFICATIONS

During the year ended June 30, 2021, management changed its reporting policy for its investment accounts where all account balances were previously considered to be current assets to more properly reflect the purpose of the account. As such, the endowment fund and building fund investment accounts were reclassified as long-term assets. This reclassification was retrospectively applied for consistency and comparative purposes.

It was also noted that reclassifications were necessary for certain campaign revenue accounts to more accurately reflect the results of the campaign during the year ended June 30, 2020. During management's review, it was noted that conditional grant income was inadvertently included with campaign revenue. As the conditions of the grant had yet to be met prior to June 30, 2020, the income was reclassified as unearned revenue at year-end.

A summary of the reclassifications is as follows:

| | As Originally Reported | Increase (decrease) | As Currently Reported |
|----------------------------------|-----------------------------------|--------------------------------|----------------------------------|
| Current assets | \$ 8,112,044 | \$ (1,173,695) | \$ 6,938,349 |
| Property and equipment, net | 36,037 | (2,917) | 33,120 |
| Other assets | 34,866 | 1,021,752 | 1,056,618 |
| Total assets | <u>\$ 8,182,947</u> | <u>\$ (154,860)</u> | <u>\$ 8,028,087</u> |
| | | | |
| Current liabilities | \$ 4,127,622 | \$ (48,594) | \$ 4,079,028 |
| Net assets | <u>4,055,325</u> | <u>(106,266)</u> | <u>3,949,059</u> |
| Total liabilities and net assets | <u>\$ 8,182,947</u> | <u>\$ (154,860)</u> | <u>\$ 8,028,087</u> |
| | | | |
| Support and revenue | \$ 7,418,639 | \$ (79,922) | \$ 7,338,717 |
| Expenses | <u>7,109,578</u> | <u>26,344</u> | <u>7,135,922</u> |
| Increase in net assets | <u>\$ 309,061</u> | <u>\$ (106,266)</u> | <u>\$ 202,795</u> |

UNITED WAY OF BREVARD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 3 – CONCENTRATIONS

Credit risk

The Organization maintains its cash and cash equivalents, and certificate of deposit balances in financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Association (NCUA) for up to \$250,000 per depositor. At June 30, 2021, the Organization's uninsured cash and cash equivalents balances were approximately \$531,962.

The Organization also maintains cash equivalents and investments with a brokerage firm that is a member of the Securities Investor Protection Corporation (SIPC). Cash and investment held at a member brokerage firm are insured by the SIPC up to \$500,000 per customer, inclusive of \$250,000 for cash balances. These investments are also covered by additional insurance that is provided by the brokerage firm through Lloyd's Central Fund for balances up to an additional \$1,900,000. At June 30, 2021, UWBC's uninsured cash equivalents and investments balances approximated \$2,395,082.

Economic dependency

At June 30, 2021 and 2020, UWBC received 43% and 79%, respectively, of its unrestricted support and revenues from the annual community campaign and certain federal and local grants as follows:

| Source | 2021 | | |
|--------------------------------|----------------------|-----------------------|------------|
| | Support and revenues | Promises to give, net | Receivable |
| Annual Community Campaign, net | \$ 4,453,726 | \$ 2,450,070 | \$ - |
| Healthy Families Grant | 962,343 | - | 94,354 |
| HOPWA Grant | 435,712 | - | 64,807 |

| Source | 2020 | | |
|--------------------------------|----------------------|-----------------------|------------|
| | Support and revenues | Promises to give, net | Receivable |
| Annual Community Campaign, net | \$ 4,816,281 | \$ 2,407,458 | \$ - |
| Healthy Families Grant | 968,854 | - | 80,586 |
| HOPWA | 428,654 | - | 85,903 |

UWBC is dependent upon undesignated contributions from corporate and individual donors to support its program services. The level of such contributions can be affected by economic conditions in the Brevard County area. In addition, the choice on the part of donors to designate their gifts to specific agencies can result in reduced funding available for allocations and grants. A decrease in undesignated contributions could adversely impact UWBC's ability to provide community services and allocate funds to local not-for-profit organizations.

In addition, UWBC is dependent upon continued grant awards and funding. If funding were reduced or terminated, there would be a significant negative impact in services that can be provided to the community.

UNITED WAY OF BREVARD COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

NOTE 4 – FAIR VALUE MEASUREMENTS

FASB ASC 820, *Fair Value Measurements and Disclosures*, 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 under FASB ASC 820 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 <ul style="list-style-type: none">▪ Quoted prices for similar assets or liabilities in active markets;▪ Quoted prices for identical or similar assets or liabilities in inactive markets;▪ Inputs other than quoted prices that are observable for the asset or liability;▪ Inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability. |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to fair value. |

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 used need to 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, 2021 and 2020.

Mutual funds and ETF's: Valued at the net asset value of shares held at year-end.

Donated life insurance policy: Valued at the reported cash surrender value as determined by the insurer using a proprietary model.

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

UNITED WAY OF BREVARD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 4 – FAIR VALUE MEASUREMENTS (continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2021 and 2020:

| Assets at fair value as of June 30, 2021 | | | | |
|---|----------------------------|--------------------|------------------------|----------------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Mutual funds and ETF's | \$ 4,795,082 | \$ - | \$ - | \$ 4,795,082 |
| Donated life insurance policy | - | - | 9,629 | 9,629 |
| | <u>\$ 4,795,082</u> | <u>\$ -</u> | <u>\$ 9,629</u> | <u>\$ 4,804,711</u> |

| Assets at fair value as of June 30, 2020 | | | | |
|---|----------------------------|--------------------|------------------------|----------------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Mutual funds and ETF's | \$ 3,802,251 | \$ - | \$ - | \$ 3,802,251 |
| Donated life insurance policy | - | - | 9,866 | 9,866 |
| | <u>\$ 3,802,251</u> | <u>\$ -</u> | <u>\$ 9,866</u> | <u>\$ 3,812,117</u> |

NOTE 5 – INVESTMENTS

UWBC's investments are measured at fair value based on unadjusted quoted market prices within active markets. Long-term investments consist of investment accounts intended for long-term purposes. Investments consist of short-term equity securities of \$3,571,378 (2021) and \$2,780,499 (2020) and long-term equity securities of \$1,223,704 (2021) and \$1,021,752 (2020). The fair value of invested assets assigned to Board designations for special purpose endowments was \$782,624 (2021) and \$632,474 (2020).

The following schedule summarizes the investment and endowment income in the statement of activities:

| | 2021 | 2020 |
|---|--------------------------|--------------------------|
| Investments: | | |
| Interest and dividend income | 87,813 | 145,702 |
| Net realized and unrealized gains/(losses) | 478,265 | (96,518) |
| Investment expenses | (15,231) | (12,233) |
| Endowments: | | |
| Interest and dividend income | 24,039 | 20,903 |
| Contributions | 284,034 | 161,927 |
| Net realized and unrealized gains/(losses) | 83,332 | (8,796) |
| | <u>\$ 942,252</u> | <u>\$ 210,985</u> |

UNITED WAY OF BREVARD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 6 – UNCONDITIONAL PROMISES TO GIVE, NET

Unconditional promises to give to UWBC for the next fiscal year are measured at fair value. Future cash flows from UWBC's annual campaign are estimated using experience gained from previous campaigns. UWBC had net unconditional promises to give of \$2,450,070 (2021) and \$2,407,458 (2020), which included allowances for estimated uncollectible pledges of \$338,690 (2021) and \$365,869 (2020). Unconditional promises to give are expected to be collected in less than one year.

NOTE 7 – PROPERTY AND EQUIPMENT

At June 30, 2021 and 2020, property and equipment consisted of the following:

| | 2021 | 2020 |
|---------------------------|------------------|------------------|
| Building and improvements | \$ 4,184 | \$ 4,184 |
| Vehicle | 46,409 | 46,409 |
| Furniture and equipment | <u>11,808</u> | <u>11,807</u> |
| | 62,401 | 62,400 |
| Accumulated depreciation | <u>(40,976)</u> | <u>(29,280)</u> |
| | <u>\$ 21,425</u> | <u>\$ 33,120</u> |

Depreciation expense charged to operations was \$11,695 (2021) and \$15,056 (2020).

NOTE 8 – OTHER ASSETS

At June 30, 2021 and 2020, other assets consisted of the following:

| | 2021 | 2020 |
|-------------------------------|---------------------|---------------------|
| Computer software | \$ - | \$ 23,135 |
| Accumulated amortization | <u>-</u> | <u>(23,135)</u> |
| | - | - |
| Note receivable | - | 25,000 |
| Investments - Building Fund | 441,080 | 389,278 |
| Investments - Endowment Fund | 782,624 | 632,474 |
| Donated life insurance policy | <u>9,629</u> | <u>9,866</u> |
| | <u>\$ 1,233,333</u> | <u>\$ 1,056,618</u> |

Amortization expense related to the computer software charged to operations was \$0 (2021) and \$3,305 (2020).

UNITED WAY OF BREVARD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 8 – OTHER ASSETS (continued)

The donated life insurance policy represents the cash surrender value of a single life insurance policy received by UWBC through the United Way Life program offered by United Way Worldwide which enables United Way donors to make gifts through the use of life insurance products from a range of insurance companies. The policy has a current death benefit of \$100,000 with UWBC named as the beneficiary. All policy premiums are paid by the insured and considered to be contributions to UWBC.

NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS

As of June 30, 2021 and 2020, net assets were comprised of the following:

| | 2021 | 2020 |
|--|---------------------|---------------------|
| Without donor restrictions | | |
| Unrestricted - Gifts in kind inventory | \$ - | \$ 77,368 |
| Unrestricted - Property and equipment | 21,425 | 33,120 |
| Unrestricted - Undesignated | 2,381,301 | 1,705,992 |
| Board designated for specific purposes: | | |
| Strategic initiatives | 534,681 | 544,253 |
| Endowment fund | 1,078,313 | 686,908 |
| Building fund | 441,080 | 389,277 |
| Disaster relief | 1,590 | - |
| Total unrestricted net assets | <u>4,458,390</u> | <u>3,436,918</u> |
| With donor restrictions | | |
| Temporarily restricted as to purpose: | | |
| Disaster Relief | 34,777 | 34,777 |
| Emerging leaders | 1,252 | 1,664 |
| Grants and Sponsorships | 28,583 | 23,754 |
| Internal designations: | | |
| Health | 117,981 | 101,209 |
| Education | 67,983 | 52,903 |
| Other | 22,310 | 19,774 |
| Harris Milestones | 63,394 | 32,979 |
| Temporarily restricted due to time restrictions: | | |
| Campaign revenue (current year) | <u>190,207</u> | <u>245,081</u> |
| Total temporarily restricted net assets | <u>526,487</u> | <u>512,141</u> |
| Total net assets | <u>\$ 4,984,877</u> | <u>\$ 3,949,059</u> |

UNITED WAY OF BREVARD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS (continued)

A description of the nature and purpose of each fund group is as follows:

- **Board designated for specific purposes:**
 - *Strategic initiatives* are funds approved by the board for health, education, and financial stability.
 - *Endowment* is a specific fund to assist donors in planned giving to further our mission
 - *Disaster relief* are funds set aside by the board to be accessed in the event of a disaster.
- **Temporarily restricted as to a purpose:**
 - *Disaster relief* are donor restricted funds to be accessed in the event of a disaster.
 - *Emerging leaders* is an affinity group for young leaders.
 - *Grants and sponsorships* include funds designated to financial stability initiatives, assist elderly residents in our community, and to encourage healthy living in our community
 - *Harris Milestones* are corporate funds restricted per their agreement for community initiatives.
- **Campaign revenue (current year)** are funds pledged or received in the current year for the next year's campaign.

NOTE 10 – LINE OF CREDIT

In December 2016, UWBC established a securities-based line of credit with a credit limit of \$1,025,000. The interest rate is at the one-month LIBOR plus 3.00%. Borrowings on the line of credit are secured by the investments in a brokerage account. For the year ended June 30, 2021, there were no funds drawn or interest expense on the line of credit.

NOTE 11 – BOARD APPROVED AGENCY ALLOCATIONS PAYABLE

Unconditional promises to give to member agencies for the next fiscal year are measured at fair value. Future cash flows from UWBC's annual campaign are estimated using experience gained from previous campaigns. UWBC's board approved agency allocations payable were \$2,717,586 (2021) and \$2,642,800 (2020).

NOTE 12 – DONOR DESIGNATIONS PAYABLE

Donor designations are defined in FASB ASC 958-605-25 as agent transactions. Donor designated assets include cash or pledges intended by the donors to be transferred through UWBC to specified beneficiaries. Donor designated funds payable to third parties were \$461,698 (2021) and \$378,029 (2020).

**UNITED WAY OF BREVARD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 13 – BOARD DESIGNATED ENDOWMENT

Investment policy

UWBC has an investment policy that delegates the investment responsibilities to the Finance Committee for appropriate review, as per the Investment Plan dated October 24, 2018. This investment plan stipulates that the Executive Committee approves the investment policy and presents it to the Board of Directors.

Spending policy

UWBC has a spending policy that governs the rate at which funds are transferred from the endowment to the operating fund. The ordinary income from interest and dividends as well as gains in investments from the Endowment Fund may be distributed as deemed prudent to carry out programs for persons then present in or living in Brevard County, Florida. Transfers were made in accordance with the aforementioned spending policy. The Board of Directors has responsibility to manage the utilization of the endowment funds.

NOTE 14 – RETIREMENT PLAN

UWBC maintains a 401(k) retirement plan for all employees who have attained age 21 and completed the minimum service requirements. Under the plan, all employees who meet eligibility requirements may contribute up to certain limits established by the Internal Revenue Code. UWBC currently matches up to 2% of the employees' contributions to the 401(k) plan and has made an additional employer contribution of 8% all eligible employees' salaries. UWBC's retirement contributions were \$116,777 (2021) and \$121,693 (2020).

NOTE 15 – RELATED PARTY TRANSACTIONS

Association

UWBC is a local, autonomous organization governed by a volunteer Board of Directors. UWBC has chosen to associate with United Way Worldwide and United Way of Florida. These national and state organizations provide systems through which local United Ways can act in unison on major issues affecting health and human services. Dues paid by UWBC to these organizations for assistance with planning, training, communication campaigns, and market research were \$72,876 (2021) and \$90,863 (2020).

Vendor

In April 2021, UWBC entered into a contract for outside accounting services with a firm whose partner is seated on its board of directors and is the immediate past chairperson. Accounting fees paid to the firm during the year ended June 30, 2021 were \$29,250 and \$6,500 of the total was included in accounts payable as of June 30, 2021.

UNITED WAY OF BREVARD COUNTY, INC.**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2021 AND 2020****NOTE 16 – COMMITMENTS AND CONTINGENCIES**

The Organization participates in various federally and state funded grant programs that are subject to review and audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal and state regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a review or audit may become a liability of the Organization. As of the date of this report, the Organization is not aware of any such instances.

NOTE 17 – LEASE COMMITMENTS

The Organization leases office space and equipment under non-cancelable operating leases. The schedule of future minimum lease payments required under these lease agreements as of June 30, 2021 is as follows:

| | Offices | Equipment | Total |
|-------|-------------------|------------------|-------------------|
| 2022 | \$ 104,636 | \$ 9,276 | \$ 113,912 |
| 2023 | 74,814 | 7,284 | 82,098 |
| 2024 | 74,999 | - | 74,999 |
| 2025 | 75,230 | - | 75,230 |
| 2026 | 75,322 | - | 75,322 |
| After | <u>151,060</u> | <u>-</u> | <u>151,060</u> |
| | <u>\$ 556,061</u> | <u>\$ 16,560</u> | <u>\$ 572,621</u> |

Lease expense charged to operations was \$139,088 (2021) and \$130,063 (2020).

NOTE 18 – LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

| | |
|---------------------------|---------------------|
| Cash and Cash Equivalents | \$ 786,863 |
| Accounts Receivable | 201,363 |
| Investment Account | 3,275,689 |
| Promise to Give (Net) | <u>2,105,505</u> |
| | <u>\$ 6,369,420</u> |

Promises to give are primarily the 2020 campaign pledges, which will provide local partner agency allocations through June 2021. These promises are net of a 6% collection allowance.

UNITED WAY OF BREVARD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 18 – LIQUIDITY (continued)

There is a Board designated endowment fund of \$1,078,313, not included above, which was created to support donors who wish to perpetuate a legacy of giving apart from the annual campaign. It is structured to fund initiatives consistent with the United Way mission. Management does not have any intention of drawing funds over the next fiscal year. However, these funds are not donor restricted and may be made available for operating purposes if required.

Proceeds from the July 2018 sale of United Way's previous office building totaling \$397,000, not included above, were invested in a Board designated reserve account to preserve the principal for future office needs. Management's intention is to draw \$12,000 annually to offset current rental expense. However, the funds are available for use if necessary.

Management addresses liquidity by investing excess cash in an investment account which includes investment vehicles with varying lengths of maturity, so that funds may be accessed as needed without penalty.

As stated in *Note 10*, United Way of Brevard established a securities-based line of credit in the amount of \$1,025,000 with Raymond James Financial Inc. approved December 2016. The intent of the line is for use when timing for liquidating investments would not be advantageous to the agency or for emergency purposes. To date, the line of credit has never been utilized by the agency.

NOTE 19 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 8, 2022 the date that the financial statements were available to be issued, and has determined that the following subsequent event required disclosure:

- COVID-19 and its variants continue to cause disruptions to the Organization's normal activities, the local economy, as well as the worldwide economy. This has impacted the Organization's ability to host fundraising and awareness events, purchase necessary items due to supply chain interruptions, and attract customer traffic to its retail operations. Management continues to adapt to everchanging conditions and maintain reserves to carry the organization through uncertain times ahead. However, the impact on earnings and support cannot be estimated.

SUPPLEMENTARY INFORMATION



WHITTAKER COOPER

CERTIFIED PUBLIC ACCOUNTANTS

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 Brevard County, Inc.

We have audited, 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, the financial statements of United Way of Brevard County, Inc. (a non-profit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 11, 2020.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether United Way of Brevard County, Inc.'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Whittaker Cooper Certified Public Accountants

Whittaker Cooper Certified Public Accountants
Melbourne, Florida
January 8, 2022



WHITTAKER COOPER

CERTIFIED PUBLIC ACCOUNTANTS

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

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

Report on Compliance for Each Major Federal Program

We have audited United Way of Brevard County, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of United Way of Brevard County, Inc.'s major federal programs for the year ended June 30, 2021. United Way of Brevard County, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned cost.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of United Way of Brevard County, Inc.'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 United Way of Brevard County, Inc.'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 United Way of Brevard County, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, United Way of Brevard County, Inc. 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, 2021.

Report on Internal Control Over Compliance

Management of United Way of Brevard County, Inc. 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 United Way of Brevard County, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each 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 United Way of Brevard County, Inc.'s internal control over compliance.

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 the 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 results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Whittaker Cooper Certified Public Accountants

Whittaker Cooper Certified Public Accountants
Melbourne, Florida
January 8, 2022

UNITED WAY OF BREVARD COUNTY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

I. Summary of Independent Auditor's Results
Financial Statements

- A. Type of auditor's report issued: Unmodified
- B. Internal Controls over financial reporting:
Material weakness(es) identified? Yes No
Significant deficiency(ies) identified that are not
considered to be material weaknesses? Yes No
- C. Noncompliance material to financial statements noted? Yes No

Federal Awards

- D. Type of auditor's report issued on compliance for
major programs: Unmodified
- E. Internal control over major programs:
Material weakness(es) identified? Yes No
Significant deficiency(ies) identified that are not
considered to be material weaknesses? Yes No
- F. Audit findings related to the Uniform Guidance:
Any audit findings disclosed that are required to
be reported in accordance with 2 CFR section
200.516(a)? Yes No
- G. Identification of program tested as a major program:

| <u>Name of Federal Program</u> | <u>CFDA Numbers</u> |
|--|--|
| Healthy Families and CAPTA | 93.558 |
| H. Dollar or percentage threshold used to distinguish between type A and type B program | \$ 750,000 |
| I. Auditee qualified as low-risk auditee? | <input checked="" type="checkbox"/> Yes <u> </u> No |

UNITED WAY OF BREVARD COUNTY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

II. Financial Statement Findings

None

III. Findings and Questioned Costs - Federal Awards

None

IV. Status of Prior Year Audit Findings

None

UNITED WAY OF BREVARD COUNTY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

| Federal/State Agency, Pass-through Entity, State Financial Project | CFDA No. | Grantor's Contract Number | Federal Expenditures |
|---|-------------|------------------------------|-------------------------|
| FEDERAL AWARDS | | | |
| <u>U.S. Department of Health and Human Services</u> | | | |
| Passed through from the State of Florida | | | |
| Ounce of Prevention/Healthy Families Florida | | | |
| Temporary Assistance for Needy Families | 93.558 | LJ959 20-21-09 | \$ 324,767 |
| Promoting Safe and Stable Families | 93.556 | LJ959 20-21-09 | 50,469 |
| Ounce of Prevention/CAPTA | | | |
| Temporary Assistance for Needy Families | 93.558 | LJ959 20-21-09C | 72,551 |
| Promoting Safe and Stable Families | 93.556 | LJ959 20-21-09C | 11,274 |
| <u>U.S. Department of Housing and Urban Development</u> | | | |
| Passed through from the State of Florida | | | |
| Florida Department of Health, Housing Opportunities for Persons with AIDS (HOPWA) | 14.241 | CODMD | 427,308 |
| Florida Department of Health, Housing Opportunities for Persons with AIDS (HOPWA) - CARES ACT | 14.241 | CODTL | 8,404 |
| <u>U.S. Department of the Treasury - Internal Revenue Service</u> | | | |
| Volunteer Income Tax Assistance (VITA) | 21.009 | 17VITA0188 | 28,479 |
| <u>Emergency Food and Shelter National Board Program</u> | | | |
| Passed through from the U.S. Department of Homeland Security's Federal Emergency Management Agency | 97.024 | EFSP | <u>179,940</u> |
| Total expenditures of federal awards | | | <u>\$ 1,103,192</u> |

See accompanying notes to the
Schedule of Expenditures of Federal Awards

UNITED WAY OF BREVARD COUNTY, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of United Way of Brevard County, Inc. (the Organization) under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Pass-through entities

Pass-through entity identifying numbers are presented where available.

NOTE C – INDIRECT COST RATE

United Way of Brevard County, Inc. elects to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance either when required by the grant contract or when permitted and determined appropriate by management.