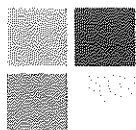


UNITED WAY OF NORTHWEST FLORIDA, INC.

PANAMA CITY, FLORIDA

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020



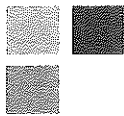
Tipton, Marler, Garner & Chastain
The CPA Group

UNITED WAY OF NORTHWEST FLORIDA, INC.

PANAMA CITY, FLORIDA

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
United Way of Northwest Florida, Inc.

We have audited the accompanying financial statements of United Way of Northwest Florida, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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. 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 Northwest Florida, Inc. as of December 31, 2020, 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.

Lipton, Mauler, Daines; Crastain

Panama City, Florida
February 24, 2022

UNITED WAY OF NORTHWEST FLORIDA, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

ASSETS

Current Assets:

Cash and cash equivalents	\$ 968,100
Cash and cash equivalents - restricted CARES funds	1,192,650
Investments - certificates of deposits	143,926
Investments - designated funds:	
Cash equivalents	198,307
Equity funds	1,037,472
Pledges receivable - less allowance for doubtful pledges of \$21,395	143,679
Accounts receivable	33,250
Total current assets	3,717,384

Net Property and Equipment

568,139

Total Assets

\$ 4,285,523

LIABILITIES AND NET ASSETS

Current Liabilities:

Due to charitable agencies - campaign	\$ 57,075
Due to charitable agencies - Hurricane Michael	305,770
Due to charitable agencies - CARES funds	1,192,650
Fiscal agent funds payable	36,847
Accounts payable	46,853
Accrued expenses	29,419
Total current liabilities	1,668,614

Net Assets:

Without donor restrictions:

Board designations:

Campaign reserve fund	32,297
Forever fund	716,657
Peter Michael Bardach bequest	519,122
Fixed assets	568,139
Hurricane Michael insurance	280,509
COVID-19	59,935
Unallocated reserve	250,477
With donor restrictions	189,773
Total net assets	2,616,909

Total Liabilities and Net Assets

\$ 4,285,523

See the accompanying notes.

UNITED WAY OF NORTHWEST FLORIDA, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

Changes in Net Assets Without Donor Restrictions:

Support and Revenues:

Public contributions raised (2019 campaign)	\$ 346,430
Campaign pledges to be paid by third-party processor	34,915
Less: Amounts designated by donors for specific organizations	(71,959)
Allowance for doubtful pledges	<u>(31,427)</u>
Net contributions	277,959
Additional prior year pledges received in current period	597,903
Other revenues:	
Grants	69,979
In-kind contributions	170,490
Interest revenue	2,678
Investment return, net	106,184
Miscellaneous income	62,157
PPP income	68,275
Reimbursable funds	<u>19,047</u>
Total other revenues	<u>498,810</u>
 Total support and revenues	 <u>1,374,672</u>

Allocations and Expenses:

Hurricane casualty	5,500
Gross funds distributed	277,429
Less: Estimated fund distributions	<u>(71,959)</u>
Net fund distributions	205,470
Program services:	
Grants and designations	74,854
Other programs	<u>218,787</u>
Total program services	293,641
Supporting services:	
Fundraising	268,393
Management and general	<u>293,269</u>
Total supporting services	<u>561,662</u>
 Total allocations and expenses	 <u>1,066,273</u>

Increase in Net Assets Without Donor Restrictions 308,399

See the accompanying notes.

UNITED WAY OF NORTHWEST FLORIDA, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

Changes in Net Assets With Donor Restrictions:

Campaign Revenue Applicable to Next Allocation Period (2020 Campaign):

Campaign pledges	240,778
Campaign pledges to be paid by third-party processor	27,465
Less: Amounts designated by donors for specific organizations	(57,075)
Allowance for doubtful pledges	(21,395)
Total campaign revenue applicable to next allocation period	189,773

**Campaign Contributions Released from Restriction
for Prior Campaign (2019 Campaign):**

Contributions received	(346,430)
Campaign pledges paid by third-party processor	(34,915)
Less: Amounts designated by donors for specific organizations	71,959
Allowance for doubtful pledges	31,427
Total campaign contributions released from restriction for prior campaign	(277,959)

Other Contributions Received and Released from Restrictions:

Hurricane pledges received	56,586
Prior years Hurricane pledges distributed in current period	120,333
Less: Hurricane funds distributed	(176,919)
COVID-19 pledges received	232,864
Less: COVID-19 funds distributed	(232,864)
CARES funds received	5,000,165
Less: CARES funds distributed	(3,807,515)
Amounts designated for CARES funds	(1,192,650)
Fiscal agent funds donations received	285,168
Prior year fiscal agent funds distributed in current period	311,330
Less: Fiscal agent funds distributed	(596,498)
Net other contributions	-

Decrease in Net Assets With Donor Restrictions (88,186)

Increase in Total Net Assets 220,213

Net Assets at Beginning of Year 2,396,696

Net Assets at End of Year \$ 2,616,909

See the accompanying notes.

**UNITED WAY OF NORTHWEST FLORIDA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020**

	Program Services			Supporting Services			Total Expenses
	Grants and Designations	Other Programs	Total Program Services	Fundraising	Management and General		
2-1-1 of NWFL	\$ -	\$ 36,972	\$ 36,972	\$ -	\$ -	\$ -	\$ 36,972
Advertising and promotions	-	44,692	44,692	94,972	-	-	139,664
Affiliation fees	-	-	-	2,022	2,022	-	4,044
Campaign events	-	-	-	3,020	-	-	3,020
Community support	-	500	500	-	-	-	500
Depreciation	1,848	2,465	4,313	2,465	5,545	-	12,323
Direct services	-	19,480	19,480	-	-	-	19,480
Dollar \$mart Coalition of NWFL	-	19,185	19,185	-	-	-	19,185
Fees for services	-	-	-	-	61,293	-	61,293
Information technology	12,624	4,211	16,835	16,830	16,830	-	50,495
Insurance	1,375	1,833	3,208	1,833	4,124	-	9,165
Miscellaneous	-	2,643	2,643	743	1,461	-	4,847
Occupancy	699	932	1,631	932	2,096	-	4,659
Office expenses	4,648	4,932	9,580	12,516	7,157	-	29,253
Other employee benefits	7,920	10,807	18,727	12,629	19,382	-	50,738
Payroll taxes	2,817	4,326	7,143	7,747	10,738	-	25,628
Pension plan contributions	1,320	2,003	3,323	3,491	5,309	-	12,123
Rent	5,858	7,811	13,669	7,811	17,575	-	39,055
Royalties/licenses	-	-	-	-	350	-	350
Salaries and wages	34,021	53,294	87,315	96,492	132,664	-	316,471
Staff development	1,724	2,701	4,425	4,890	6,723	-	16,038
Total expenses	\$ 74,854	\$ 218,787	\$ 293,641	\$ 268,393	\$ 293,269	\$ -	\$ 855,303

See the accompanying notes.

UNITED WAY OF NORTHWEST FLORIDA, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2020

Cash Flows From Operating Activities:	
Change in total net assets	\$ 220,213
Adjustments to reconcile change in total net assets to net cash provided by operating activities:	
Interest on investments - certificates of deposits	(2,484)
Unrealized gain on investments	(88,644)
Hurricane gain, net	5,500
Depreciation	12,323
(Increase) decrease in assets:	
Pledges receivable	14,949
Accounts receivable	(33,250)
Increase (decrease) in liabilities:	
Due to charitable agencies - campaign	(14,884)
Due to charitable agencies - Hurricane Michael	(120,333)
Due to charitable agencies - CARES funds	1,192,650
Fiscal agent funds payable	(311,330)
Accrued expenses	837
Net cash provided by operating activities	<u>875,547</u>
Cash Flows From Investing Activities:	
Maturity of investments	50,000
Purchase of property and equipment	(54,154)
Hurricane repairs	(5,500)
Net cash used in investing activities	<u>(9,654)</u>
Net Increase in Cash, Cash Equivalents, and Restricted Cash	865,893
Cash, Cash Equivalents, and Restricted Cash at Beginning of Year	<u>1,493,164</u>
Cash, Cash Equivalents, and Restricted Cash at End of Year	<u><u>\$ 2,359,057</u></u>
Classified as:	
Cash and cash equivalents	\$ 968,100
Cash and cash equivalents - restricted CARES funds	1,192,650
Investments - designated funds:	
Cash equivalents	<u>198,307</u>
Total Cash, Cash Equivalents, and Restricted Cash	<u><u>\$ 2,359,057</u></u>

See the accompanying notes.

**UNITED WAY OF NORTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization:

United Way of Northwest Florida, Inc. is a nonprofit organization, started under the name The Community Chest, Inc. in 1932 and was later established as United Way of Northwest Florida, Inc. (the “Organization”) in 1976 to provide local fundraising for various social service agencies. The Organization is dependent on contributions received from businesses and individuals in Northwest Florida. The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service (“IRS”) as a public charity. Accordingly, no provision for income taxes has been made.

Annual campaigns are conducted year-round to raise support for allocation to participating agencies in the subsequent calendar year. A plan of allocation to agencies is formulated based on campaign pledges, but actual distribution of allocations to agencies is distributed according to collections and judgment of the volunteer Board of Directors (the “Board”).

Mission:

The Organization’s mission is to enrich lives by fostering and uniting resources with those in need. Their vision is a community in which there is significant lasting change whereby all individuals and families achieve their human potential.

Basis of Accounting and Financial Statement Presentation:

The accompanying financial statements have been prepared on the accrual basis of accounting. The financial statement presentation is in accordance with Financial Accounting Standards Board (“FASB”) Standards. Under FASB Standards, the Organization is required to report information regarding its financial position and activities based on the existence or absence of donor-imposed restrictions.

Estimates:

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Cash and Cash Equivalents:

For purposes of the statement of cash flows, the Organization considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

UNITED WAY OF NORTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents - Restricted CARES funds:

The Organization received CARES funds from the Bay County Board of County Commissioners during the year ended December 31, 2020 to be distributed to other nonprofit organizations for assistance related to COVID-19. During the year ended December 31, 2020, the Organization received \$5,000,000 in grants and \$165 in interest, distributed funds of \$3,807,515, and had undistributed funds of \$1,192,650. The Organization had cash restricted to CARES funds in the amount of \$1,192,650 at December 31, 2020.

Investments:

Investments are carried at fair value, and for the year ended December 31, 2020 consist of certificates of deposits, fixed income securities, and equity mutual funds. Investment expenses are netted against investment income (loss) and realized and unrealized gains and losses are reflected within investment return, net in the statement of activities. The objective of the Organization's investment policy is to ensure the safety of investment principal, provide for liquidity and maximize investment income. The Finance Committee continues to assess investments with a goal of ensuring the safety of the principal by investing with quality financial institutions.

Pledges and Pledges Receivable:

Pledges are recorded in the year made and an allowance for doubtful pledges is also recorded at that time. All pledges are receivable within two years of pledge. The allowance for doubtful pledges is based on a three-year average of historical collection experience and management's evaluation of collectability of outstanding pledges. The allowance is applied to the gross campaign, including donor designations.

Unconditional promises to give that are expected to be collected within one year are recorded at their 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 December 31, 2020.

Property and Equipment:

The Organization capitalizes property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are capitalized at their estimated fair market value at the date contributed. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated

UNITED WAY OF NORTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated by the straight-line method over the estimated useful life. Estimated useful lives are generally as follows:

Building	27.5 – 39 years
Furniture and equipment	3 – 7 years

Net Assets:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are available for use at the discretion of the Board and/or management for general operating purposes. From time to time the Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

See Note 6 for more information on the composition of net assets without donor restrictions.

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restrictions and reported in the statement of activities as released from restrictions. All net assets released from restrictions satisfied purpose restrictions for the year ended December 31, 2020.

The Organization honors all designations made to each member organization by distributing a proportionate share of receipts based on donor designations. There are no dues charged to charities by the Organization. The only fees withheld from donor designations is made up of a combination of the allowance for doubtful pledges and an administrative/fundraising expense allowance, both based on a three-year average of actual historical data.

UNITED WAY OF NORTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy.

See Note 6 for more information on the composition of net assets with donor restrictions.

Contributions:

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Expense Allocation:

The cost of providing the various programs and activities and supporting services have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among programs and supporting services benefited. Directly identifiable expenses are charged to program and supporting services. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Expenses are charged to program services and supporting services on the basis of how resources are utilized. The expenses that are allocated include other employee benefits, payroll taxes, pension plan contributions, salaries and wages, and staff development which are allocated on the basis of estimates of time and effort; depreciation, insurance, occupancy, and rent which are allocated on a square footage basis; and information technology which is allocated based on usage. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Description of Program Service Accomplishments:

2-1-1 of NWFL is a free public information service line that links human needs to available local direct service providers. This resource and referral service can provide information on housing options, medical services, budget counseling, support groups, civic clubs, adoption services, community offices, employment services, transportation, financial assistance, legal services, and much more.

UNITED WAY OF NORTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Dollar \$mart Coalition of NWFL hosts the local Volunteer Income Tax Assistance (“VITA”) site each tax season. VITA is an IRS sanctioned program that trains volunteers to prepare simple tax returns for individuals and families with low to moderate income. The VITA site program processes approximately 1,900 free tax returns yearly.

The Organization serves as the premier local workplace campaign fundraising agent for member agencies. The Organization does not charge dues and the only fees withheld from direct designations are a three-year average of actual administration expenses, fundraising expenses, and pledge attrition. Groups of local community volunteers meet annually to determine the community needs and award grant funding, through the Community Impact Fundraiser, to the charities that are best able to serve our local population.

Contributed Services:

Except for professional fees for services, no amounts have been reflected in the financial statements for donated services, since no objective basis is available to measure the value of such services, nor is a quantitative record of such services available. Nevertheless, a substantial number of volunteers donate a significant amount of time to the Organization's annual fundraising campaign. The Organization records donated professional fees for services, which meet criteria established by generally accepted accounting principles, at the fair market value of the services received.

Advertising:

The Organization follows the policy of charging the costs of advertising to expense as incurred. Advertising and promotions were \$139,664 for the year ended December 31, 2020.

NOTE 2 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization regularly monitors liquidity to meet its operating needs and other contractual commitments. The Organization has various sources of liquidity at its disposal including cash and cash equivalents, investments, pledges receivable, and accounts receivable. For the purpose of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities.

As of December 31, 2020, the following table reflects the total financial assets reduced by amounts not available for general use because of donor-imposed restrictions within one year. Amounts not available include board designations.

**UNITED WAY OF NORTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (Continued)

Financial assets at year-end:

Cash and cash equivalents	\$ 968,100
Cash and cash equivalents - restricted CARES funds	1,192,650
Investments - certificates of deposits	143,926
Investments - designated funds:	
Cash equivalents	198,307
Equity funds	1,037,472
Pledges receivable – less allowance for doubtful pledges	143,679
Accounts receivable	<u>33,250</u>
 Total financial assets at year-end	 <u>3,717,384</u>

Less those unavailable for general expenditures within one year, due to:

Donor-imposed restrictions:	
Due to charitable agencies - campaign	(57,075)
Due to charitable agencies - Hurricane Michael	(305,770)
Due to charitable agencies - CARES funds	(1,192,650)
Fiscal agent funds payable	(36,847)
Restricted by donor with purpose restrictions	(189,773)
Board designations:	
Campaign reserve fund	(32,297)
Forever fund	(716,657)
Peter Michael Bardach bequest	(519,122)
Hurricane Michael insurance	(280,509)
COVID-19	<u>(59,935)</u>

Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 326,749</u>
--	-------------------

The Organization is substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

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 risks associated with certain investment securities, it is at least reasonably possible that material changes in the values of investment securities could occur.

**UNITED WAY OF NORTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Forever Fund:

The Endowment fund (Forever fund) investments are stated at fair value and consist of growth funds and fixed income funds. These funds represent a long-term commitment to establish a permanent endowment to help meet future community human service needs. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. In some cases, the fair value of the investments of an endowment fund at the reporting date is less than either the original gift amount or the amount required to be maintained by the donor or by law that extends donor restrictions, which is referred to as an underwater endowment fund. The fund is not currently underwater.

Investments are summarized as follows:

	<u>Cost</u>	<u>Fair Value</u>
Cash equivalents	\$ 27,720	\$ 27,720
Equity funds	576,573	688,937
Total Forever fund investments	\$ 604,293	\$ 716,657

Changes in endowment assets is as follows:

Beginning of year	\$ 654,713
Investment return, net:	
Interest and dividend revenue	15,487
Realized gains	5,181
Unrealized gains	48,089
Less: Investment fees	(6,813)
Total investment return, net	61,944
End of year	\$ 716,657

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to maximize long-term results with an acceptable level of risk. Under this policy, as approved by the Board, the endowment assets are invested to maximize long-term results, consistent with an acceptable level of risk. The goal is to produce a return on the assets to support the programmatic purposes, while also achieving growth of principal in order to maintain real purchasing power. This approach helps assure that the endowment fund keeps pace with inflation and always support the designated activity.

**UNITED WAY OF NORTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

Strategies Employed for Achieving Objectives

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

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization's Board shall use only interest and investment income from the endowment assets to fund various health and human service programs and projects that benefit people in Northwest Florida. The Board shall use endowment funds as follows: 5% of the beginning of year asset value and, after 3 years, 5% of asset value, based on a three-year average. At no time shall these distributions invade the original contributions and additions. The Organization, with Board approval, makes disbursements from the Forever fund for distribution to nonprofit agencies. It is intended that this endowment shall be continued as long as the need exists, and it contains the money and/or property required to generate resources. Only under the most dire circumstances may the Board consider using any of the endowment principal. This action will require a two-thirds vote of all Board members.

Peter Michael Bardach Bequest:

The Peter Michael Bardach investments are stated at fair value and consist of growth funds and fixed income funds. These funds will be utilized at the direction of the Board.

Investments are summarized as follows:

	Cost	Fair Value
Cash equivalents	\$ 170,587	\$ 170,587
Equity funds	271,373	348,535
Total Peter Michael Bardach investments	\$ 441,960	\$ 519,122

Changes in Peter Michael Bardach investments is as follows:

Beginning of year		\$ 474,882
Investment return, net:		
Interest and dividend revenue		8,666
Unrealized gains		40,555
Less: Investment fees		(4,981)
Total investment return, net		44,240
End of year		\$ 519,122

**UNITED WAY OF NORTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

Certificates of Deposits:

Certificates of deposits earned interest income of \$2,484 during the year ended December 31, 2020.

Fair Value Measurement:

Generally accepted accounting principles define fair value, establish a framework for measuring fair value, and establish a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income, or cost approach are used to measure fair value.

The following table presents the Organization's fair value measurements and levels within the fair value hierarchy for the assets measured at fair value on a recurring basis as of December 31, 2020.

	<u>Level 1</u>	<u>Total</u>
<i>Assets:</i>		
Forever fund	\$ 716,657	\$ 716,657
Peter Michael Bardach	519,122	519,122
Total investments	\$ 1,235,779	\$ 1,235,779

Investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment and related accumulated depreciation consist of the following at December 31, 2020:

Land	\$ 205,639
Building	276,700
Furniture and equipment	11,306
Construction in progress	101,008
	594,653
Less: Accumulated depreciation	(26,514)
Net property and equipment	\$ 568,139

Depreciation expense for the year ended December 31, 2020 totaled \$12,323.

UNITED WAY OF NORTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 5 – FISCAL AGENT FUNDS PAYABLE

As of December 31, 2020, fiscal agent funds were payable to the following organizations:

Rebuild Bay County, Inc.	\$ 5,000
Repair Holmes Long Term Recovery Group	<u>31,847</u>
Total fiscal agent funds payable	<u>\$ 36,847</u>

NOTE 6 – NET ASSETS

Net Assets Without Donor Restrictions:

The Board of Directors designates a Campaign Reserve fund for a portion of the net assets equal to 10% of the adjusted campaign total to cover unforeseen shortfalls in the campaign contributions or pledge collections. This reserve may be used to make regular agency payments or for an emergency, maintenance, or replacement of capital facilities of the Organization and the member agencies. At December 31, 2020, the balance in this fund was \$32,297.

In 1998, the Board established an endowment fund called the Forever fund to help meet future community human service needs. The Board intends to maintain the principal portion of this fund in the amount of \$264,028 and expend only the investment earnings of this fund, the principal can be used with two-thirds vote of the Board of Directors. At December 31, 2020, the balance in this fund was \$716,657.

In 2015, the estate of Peter Michael Bardach bequeathed a gift in the amount of \$951,527. This gift was given without restriction and will be utilized at the direction of the Board. At December 31, 2020, the balance in this fund was \$519,122.

Net Assets With Donor Restrictions:

Net assets with donor restrictions represent designated campaign pledges, net of advance cash amounts received on campaign pledges during the year, and an allowance for uncollectible pledges. Temporary restrictions are released in the year cash is received from the donor reflecting the implicit donor intent that funds are restricted for the period when the cash is scheduled to be available. Net assets with donor restrictions also include amounts restricted by donors for specific purposes that have not yet been accomplished.

Net assets with donor restrictions are available for the following purposes:

Subject to expenditure for specified purposes:

Community Campaign	<u>\$ 189,773</u>
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**UNITED WAY OF NORTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 6 – NET ASSETS (Continued)

The various purpose of the above donor restricted amount are as follows:

Community Campaign – To be distributed to specific Organizations upon receipt of funds.

NOTE 7 – HURRICANE CASUALTY

On October 10, 2018, the Organization was directly impacted by Hurricane Michael and suffered damage to its property and equipment. During the year ended, December 31, 2020, the Organization incurred \$106,508 in hurricane related expenses of which \$5,500 was expensed and \$101,008 was put into construction in process for the repair of the building. The net effect was a loss of \$5,500. The Organization has \$417,322 remaining on its construction contract for the completion of the repair of the building at December 31, 2020.

NOTE 8 – IN-KIND CONTRIBUTIONS

Where measurable, in-kind contributions are recorded at their fair market value at the date of donation. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased. The contributions listed below have been included in the program and supporting services on the statement of functional expenses.

In-kind contributions are as follows:

Program Services:	
Advertising and promotions	\$ 44,245
Information technology	<u>1,394</u>
Total program services	<u>45,639</u>
Fundraising:	
Advertising and promotions	94,020
Campaign events	610
Information technology	<u>1,393</u>
Total fundraising	<u>96,023</u>
Management and General:	
Fees for services	27,435
Information technology	<u>1,393</u>
Total management and general	<u>28,828</u>
Total in-kind contributions	<u>\$ 170,490</u>

UNITED WAY OF NORTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 9 – ALLOCATIONS TO AGENCIES

Allocations were distributed to the following agencies during the year ended December 31, 2020:

America's Second Harvest of the Big Bend	\$ 23,500
American Red Cross of NWFL	3,685
AMikids Panama City Marine Institute	57,208
Anchorage Children's Home of Bay County	8,084
Angel House Bereavement	6,156
ARC of Washington-Holmes Counties, Inc.	2,296
BASIC Northwest Florida, Inc.	23,435
Bay County Council on Aging	23,559
Bay Education Foundation, Inc.	12,586
Bay Franklin & Gulf Healthy Start	2,795
Bay Youth Summer Work Program	1,744
Big Brothers Big Sisters of Northwest Florida	2,781
Boy Scouts of America, Gulf Coast Council	1,740
Boys and Girls Clubs of Bay County, Inc.	9,229
Catholic Charities of Northwest Florida	21,044
Chemical Addictions Recovery Effort, Inc.	10,028
Children's Home Society of Florida, Inc.	1,844
Chipola Baptist Association	8,000
Citizens of Gulf County Recovery Team	7,201
Covenant Hospice, Inc.	23,555
Early Education and Care, Inc.	9,372
Early Learning Coalition of NWFL, Inc.	14,378
Elder Care Services, Inc.	2,487
Family Service Agency of Bay County, Inc.	474,636
Feeding the Gulf Coast	27,128
Floriopolis, St. Andrews Art & Culture Metropolis	2,294
Girl Scouts of Gateway Council	360
Girls Incorporated of Bay County	26,122
Gulf Coast Children's Advocacy	1,050,660
Habilitative Services of North Florida, Inc.	190
Habitat for Humanity of Bay County	13,336
Helping Hands for People, Inc.	15,000
Holmes Council on Aging	5,000
JUDOS	6,384
LEAD Coalition of Bay County, Inc.	20,462
Legal Services of North Florida, Inc.	2,600
LGBTQ Center of Bay County	7,744
Life Management Center of Northwest Florida	20,792
Mental Health America of Bay County, Inc.	15,164
North Florida Child Development, Inc.	964
North Florida Inland Long Term Recovery Group	86

**UNITED WAY OF NORTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 9 – ALLOCATIONS TO AGENCIES (Continued)

Office of the Public Guardian, Inc.	110
Rebuild Bay County, Inc.	678,434
Ronald McDonald House Charities of Northwest Florida	4,138
Second Chance of Northwest Florida, Inc.	3,856
St. Andrew Community Medical Center	741
The Arc of the Bay	17,634
The Salvation Army	9,526
Washington County Council on Aging, Inc.	3,175
Other unaffiliated agencies	<u>1,776,569</u>
Total United Way	4,459,812
Paid by third-party processor	<u>34,915</u>
 Total funds distributed	 <u>\$ 4,494,727</u>

NOTE 10 – EMPLOYEE BENEFITS

Employee benefits consist of health insurance coverage for each full-time employee and after completing one year of service, an annuity contract. The employee benefits expense was \$62,861 for the year ended December 31, 2020.

Retirement Plan:

The Organization has a defined contribution pension plan covering substantially all of its employees that includes employer contributions and a salary deferral contribution option.

Plan Provisions and Eligibility

To be eligible for the employer contribution, an employee must have attained age 21, completed one year of service, and completed 1,000 hours of service during the plan year. Members qualify for normal retirement on the participants 65th birthday. Participants are immediately vested in their contributions plus actual earnings thereon. Benefits fully vest for the employer contributions, after participants reach six years of service, with partial vesting after the completion of two through five years of service, or upon death or disability. The benefits shall be vested as follows:

Years of Service	Vested Percentage
1	0%
2	20%
3	40%
4	60%
5	80%
6	100%

**UNITED WAY OF NORTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 10 – EMPLOYEE BENEFITS (Continued)

Contribution Obligations

Contributions are based upon 5% of salaries and wages. Pension plan contributions totaled \$12,123 for the year ended December 31, 2020.

NOTE 11 – OPERATING LEASES

The Organization was the lessee in several operating leases, both cancellable and noncancellable. Total rent expense amounted to \$54,774 of which \$6,319 is recorded under office expenses and \$9,400 is recorded under Dollar \$mart Coalition of NWFL expenditures for the year ended December 31, 2020. In March 2019, the Organization entered into an operating lease for 60 monthly payments of \$470.

Future minimum rental commitments are as follows:

<u>Year Ending December 31</u>	<u>Amount</u>
2021	\$ 5,640
2022	5,640
2023	5,640
2024	<u>5,330</u>
	<u>\$ 22,250</u>

NOTE 12 – CONCENTRATION RISKS

The Organization maintains cash balances and certificates of deposits at several financial institutions located in Florida. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. Amounts in excess of insured limits was approximately \$1,907,368 at December 31, 2020.

The Organization received approximately 25% of its total revenues and other support from the Bay County Board of County Commissioners during the year ended December 31, 2020.

NOTE 13 – RELATED PARTY TRANSACTIONS

During 2020, the Organization engaged Anderson Construction to be the general contractor on the repairs of their building. A member of the Board of the Organization is the owner of Anderson Construction. During the year ended December 31, 2020, the Organization made payments of \$101,008 to Anderson Construction.

UNITED WAY OF NORTHWEST FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 13 – RELATED PARTY TRANSACTIONS (Continued)

During 2020, the Organization entered into an operating lease agreement with Bill Cramer Chevrolet Cadillac Buick GMC, Inc. A member of the Board of the Organization is the owner of Bill Cramer Chevrolet Cadillac Buick GMC, Inc. During the year ended December 31, 2020, the Organization made payments of \$9,400 to Bill Cramer Chevrolet Cadillac Buick GMC, Inc. The Organization subsequently received Dollar Smart Coalition of NWFL income of \$9,400 from Bill Cramer Chevrolet Cadillac Buick GMC, Inc. during the year ended December 31, 2020.

During 2020, the Organization received and spent in-kind contributions from VBA Design, Inc. A member of the Board of the Organization is the owner of VBA Design, Inc. During the year ended December 31, 2020, the Organization received \$12,900 of in-kind contributions for fees for services from VBA Design, Inc.

NOTE 14 – COVID-19

In December 2019, a novel strain of coronavirus (“COVID-19”) was reported in Wuhan, China. The World Health Organization has declared the outbreak to constitute a “Public Health Emergency of International Concern.” The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on the operational and financial performance of the Organization will depend on certain developments, including the duration and spread of the outbreak, impact on the Organization’s contributors, employees, and vendors, all of which are uncertain and cannot be predicted. As of the date these financial statements were issued, the extent of COVID-19 may impact the Organization’s financial condition or results of operations cannot be reasonably estimated.

NOTE 15 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through February 24, 2022, which is the date these financial statements were available to be issued.