UNITED WAY OF NORTH CENTRAL FLORIDA, INC.

FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

(SEE INDEPENDENT AUDITORS' REPORT)

UNITED WAY OF NORTH CENTRAL FLORIDA, INC.
TABLE OF CONTENTS
JUNE 30, 2020 AND 2019

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
4010 NW 25th Place
Gainesville, FL 32606

352.372.6300
352.375.1583 (fax)
CRIcpa.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
United Way of North Central Florida, Inc.

We have audited the accompanying financial statements of United Way of North Central Florida, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the 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.

Auditors' 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 auditors' 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 North Central Florida, Inc. as of June 30, 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.

Report on Summarized Comparative Information

We have previously audited the United Way of North Central Florida, Inc.'s 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 25, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Carr, Riggs & Ingram, L.L.C.

Gainesville, Florida
May 17, 2021

UNITED WAY OF NORTH CENTRAL FLORIDA, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

	2020	2019
ASSETS		
Current assets		
Cash and cash equivalents	$ 721,032	$ 635,623
Investments	409,190	395,419
Assets held in trust	50,072	52,773
Pledges receivable, net of allowance of $174,380 and $200,808, respectively	945,554	1,036,701
Other receivables	225,651	103,792
Prepaid expenses	2,919	1,621
Total current assets	2,354,418	2,225,929
Property and equipment, net	359,281	370,316
Total Assets	$ 2,713,699	$ 2,596,245
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	$ 178,223	$ 116,643
Refundable advance - PPP Loan Payable	160,400	-
Allocations payable	691,768	850,000
Designations payable	690,520	550,879
Deferred revenue	45,000	-
Total current liabilities	1,765,911	1,517,522
Net assets		
Without donor restriction:		
Invested in property and equipment	359,280	370,316
Operating Reserve	517,483	613,842
ReadingPals Set Aside	3,569	5,712
Home Sweet Home	-	9,251
Undesignated	(176,868)	(96,359)
Total net assets without donor restriction	703,464	902,762
With donor restriction:		
Disaster Fund	10,138	81,437
Home Sweet Home	14,616	-
Publix Employee Emergency Fund	55,448	38,603
Reading Pals	15,248	3,148
Dolly Parton Fund	500	-
Homeless Assistance	5,053	-
We Care Fund	93,249	-
Endowment-CFNCFL	50,072	52,773
Total net assets with donor restriction	244,324	175,961
Total net assets	947,788	1,078,723
Total Liabilities and Net Assets	$ 2,713,699	$ 2,596,245

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

UNITED WAY OF NORTH CENTRAL FLORIDA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020 (WITH SUMMARIZED INFORMATION FOR 2019)

	2020			2019
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Total**
Support and revenue:				
Campaign contributions	$ 2,846,557	-	$ 2,846,557	$ 2,655,388
Less donor designations	(1,100,898)	-	(1,100,898)	(924,154)
Less allowance for uncollectible	(194,876)	-	(194,876)	(135,306)
Campaign revenue, net	1,550,783	-	1,550,783	1,595,928
Grants	753,415	54,163	807,578	886,865
Investment income	11,640	-	11,640	22,516
Contributions and sponsorships	114,714	27,264	141,978	53,556
In-kind contributions	138,221	-	138,221	192,938
Other income	38,618	-	38,618	64,335
Released from restrictions	13,064	(13,064)	-	-
Total support and revenue	2,620,455	68,363	2,688,818	2,816,138
Expenses:				
Program Services:				
Community impact	1,070,978	-	1,070,978	1,096,800
Homeless coalition	648,224	-	648,224	836,175
Other programs	261,390	-	261,390	337,008
Total program services	1,980,592	-	1,980,592	2,269,983
Fundraising	451,285	-	451,285	488,533
Management and general	387,876	-	387,876	254,863
Total expenses	2,819,753	-	2,819,753	3,013,379
Change in net assets	(199,298)	68,363	(130,935)	(197,241)
Net assets, beginning of year	902,762	175,961	1,078,723	1,275,964
Net assets, end of year	$ 703,464	$ 244,324	$ 947,788	$ 1,078,723

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

UNITED WAY OF NORTH CENTRAL FLORIDA, INC.
STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED JUNE 30, 2020 (WITH SUMMARIZED INFORMATION FOR 2019)

	2020						**2019**
	Program Service Expenses			Supporting Activities		Total	Total
	Homeless Coalition	Community Impact	Other Programs	Management and General Expenses	Fundraising Expenses		
Advertising and promotion	$ -	$ 27,350	$ 18,188	$ 1,525	$ 4,121	$ 51,184	$ 34,404
Depreciation	-	-	-	15,256	-	15,256	15,626
Dues and subscriptions	550	198	132	38,051	3,194	42,125	48,567
Grants to agencies	370,658	677,913	-	-	-	1,048,571	1,303,423
Grants to agencies-Donor designated	-	49,641	33,011	-	-	82,652	-
Grants to individuals	-	15,295	10,171	-	-	25,466	45,849
In kind	1,550	82,085	54,587	-	-	138,222	192,938
Insurance	-	-	-	10,881	-	10,881	12,785
Miscellaneous	-	2,697	1,793	16,924	66,768	88,182	49,400
Office expenses	41,171	14,669	9,755	68,069	28,309	161,973	112,268
Events, facilities and food	758	75	50	178	7,962	9,023	23,057
Personnel expense	204,460	157,163	104,515	95,105	307,146	868,389	879,955
Professional fees	26,495	39,499	26,267	140,225	28,902	261,388	278,170
Travel	2,582	4,393	2,921	1,662	4,883	16,441	16,937
Total functional expense	$ 648,224	$ 1,070,978	$ 261,390	$ 387,876	$ 451,285	$ 2,819,753	$ 3,013,379

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

UNITED WAY OF NORTH CENTRAL FLORIDA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020 AND 2019

	2020	2019
Cash flows from operating activities		
Change in net assets	$ (130,935)	$ (197,241)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	15,256	15,626
Income reinvestment	(7,661)	(9,125)
Unrealized gain on investments	(3,410)	(13,391)
Change in pledges receivable	91,147	189,078
Change in other receivables	(121,859)	(92,901)
Change in prepaid expense	(1,298)	9,226
Change in deferred revenue	45,000	-
Change in refundable advance	160,400	-
Change in designations payable	139,641	17,348
Change in allocations payable	(158,232)	(12,188)
Change in accounts payable	61,580	28,763
Total adjustments	220,564	132,436
Net cash provided by (used in) operating activities	89,629	(64,805)
Cash flows from investing activities		
Sales of investments	-	164,022
Purchases of property and equipment	(4,220)	-
Net cash provided by (used in) investing activities	(4,220)	164,022
Net increase in cash and cash equivalents	85,409	99,217
Cash and cash equivalents, beginning of year	635,623	536,406
Cash and cash equivalents, end of year	$ 721,032	$ 635,623

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

Notes to Financial Statements
June 30, 2020 and 2019
United Way of North Central Florida, Inc.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The United Way of North Central Florida, Inc. ("United Way") is a Florida nonprofit corporation organized for the purpose of advancing the common good by focusing on education, income, and health. United Way leads the community to focus on issues and build solutions through giving, advocating, and volunteering.

Tax Exemption

United Way is tax exempt under Section 501(c)(3) of the Internal Revenue Code. Accordingly, income earned in the furtherance of the United Way's tax-exempt purpose is exempt from federal and state income taxes and the financial statements contain no provision or liability for income taxes.

The United Way files income tax returns in the U.S. federal jurisdiction. The United Way's tax returns for the past three years are subject to examination by tax authorities, and may change upon examination.

The United Way has reviewed and evaluated for relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the United Way.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, and accordingly, reflect significant receivables, payables and other liabilities.

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents, and restricted cash include only investments with original maturities of three months or less.

Investments

United Way carries investments in mutual funds and exchange-traded funds at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

Pledges Receivable

Pledges receivable are treated as unconditional promises to give are recognized at net realizable value in the period received. Based on historical collection rates, United Way expects 89% of promises to be fulfilled, all within the coming fiscal year. Collections in excess of this estimate are reported as additional contributions. Collections less than this estimate are reported in the provision for uncollectible accounts.

Property and Equipment

Property and equipment are recorded at cost or, in the case of donated items, at fair value on the date received. United Way capitalizes all fixed assets with a cost or fair value of greater than $2,500 and an estimated useful life greater than one year. Depreciation is provided using the straight-line method over the anticipated useful lives of the assets, which range from three to thirty-nine years.

Assets Held in Trust

United Way established a fund at the Community Foundation of North Central Florida, Inc. (CFNCF). Contributions from United Way to the fund are considered reciprocal transfers since United Way has designated itself as the beneficiary of the income of the fund. Distributions from the fund will be made upon written request from United Way and subject to CFNCF's powers of modification and removal. The fair value of the assets held in the fund are reported as Assets Held in Trust. See Note 6 for more details.

Partner Allocation Payable

United Way notifies Community Impact Partners near the end of each fiscal year of the funding allocations from the recent campaign. Allocations Payable on the Statement of Financial Position represents that funding commitment at year end. These amounts are scheduled to be paid out by the end of the next fiscal year.

Designations Payable

United Way offers its donors the opportunity to designate the whole or part of their contributions to specific agencies described in Section 501(c)(3), Internal Revenue Code. United Way has little or no discretion in determining how designated contributions are to be used; therefore, these contributions are accounted for as agency transactions. These transactions are reported in the statement of activities as part of the United Way annual campaign and amounts designated to others are then deducted to arrive at net campaign revenue. Amounts deducted are carried as liabilities until paid to the designated agencies. No allowance for uncollectible is recorded against the related pledges as donor choice contributions are not paid until the related pledges have been collected from the donors; any uncollected receivable is written off against the corresponding liability.

Revenue Recognition

Contributions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions support that increases those net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the entity reports the support as net assets without donor restrictions. Conditional promises to give are not included as support until the conditions are substantially met.

Donated Goods and Services. A substantial number of unpaid volunteers have made significant contributions of their time to support United Way's campaign and allocation processes. The value of this time is not recorded in the accompanying financial statements since it does not meet the criteria for recognition under generally accepted accounting principles. Some donated goods and professional services did meet the criteria, and the value of these were recognized as revenue and corresponding expense.

Deferred Revenue

Deferred revenue represents revenues collected but not earned as of June 30. This is primarily composed of revenue for rental assistance that United Way is the administrator of the funds. If a program is conducted over a fiscal year end, deferred revenue is recorded for all revenue related to programs predominantly conducted in the next fiscal year.

Expense Allocation

Expenses are summarized by function based on the guidelines prescribed by United Way Worldwide. Direct expenses are assigned to the various functional categories based on the purpose achieved by each expense. Certain non-direct salaries and related expenses are distributed based on the estimated portion of time spent by respective employees for each function. All other expenses are allocated among program and supporting service classifications based on a percentage of the general agency grant expenses. The following is a summary description of United Way's functional expense categories:

Programs – Significant programs include the Homeless Coalition, Community Impact, 2-1-1 information and referral service, Reading Pals, and Voluntary Income Tax Assistance (VITA).

Fundraising – Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. This category includes the costs of publicizing, maintaining donor lists, conducting fund-raising events and activities, and any other activities that solicit contributions from corporations, foundations, individuals, and others including the annual campaign.

Management and General – This category includes all expenses that provide governance, oversight, business and financial management, financial recordkeeping, budgeting, legal, and human resource management services.

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain prior-year amounts have been reclassified to conform with the current-year presentation.

Changes in Accounting Standards

United Way implemented Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2018-08, "Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic) 605." The ASU and all subsequently issued clarifying ASUs clarified guidance related to the recognition of nonexchange revenue that does not fall under ASU 606. The United Way adopted ASC 605 as of July 1, 2019. In adopting this ASU, there was no impact to beginning net assets. As such, no retrospective analysis of account balance changes was required.

NOTE 2 – LIQUIDITY AND AVAILABILITY

United Way's financial assets available within one year of the date of the statement of financial position for general expenditure are as follows.

	2020	2019
Financial Assets		
Cash	$ 721,032	$ 635,623
Investments	409,190	395,419
Pledges Receivable – Net	945,554	1,036,701
Other Receivables	225,651	103,792
Assets held in Trust	50,072	52,773
Total Financial Assets	2,351,499	2,224,308
Amounts not available for general expenditure:		
Board designated reserve	(517,483)	(613,842)
Reading Pals	(3,569)	(5,712)

Purpose restricted net assets (Note 7)	(244,324)	(185,212)
Paycheck Protection Loan (Note 12)	(160,400)	--
Amounts Available for General Expenditure within one year	$ 1,425,723	$ 1,419,542

United Way has structured its financial assets to be available as its general expenditures and liabilities come due. United Way generally does not experience cash deficits and, therefore, has instituted no mechanism for financing them. Excess cash is invested in highly liquid securities in accordance with United Way's investment policy. See Note 4 for more information on investments.

NOTE 3 – PLEDGES RECEIVABLE

Unconditional promises to give are campaign pledges that have not been received by June 30 of each year. These amounts are reported net of an allowance for uncollectable pledges as follows:

	2020	2019
Campaign Pledges - Gross	$ 1,119,934	$ 1,237,509
Allowance for Uncollectable Pledges	(174,380)	(200,808)
Net	$ 945,554	$ 1,036,701

NOTE 4 – INVESTMENTS

Investments consist of the following at June 30:

	2020	2019
Money Market Account	$ 24,049	$ 15,819
Exchange-traded funds	385,141	379,600
Total	$ 409,190	$ 395,419

The fair value measurement accounting literature provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below as follows:

- Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.
- Level 2 – Inputs to the valuation methodology include: (1) quoted market prices for similar assets or liabilities in active markets, (2) quoted prices for identical or similar assets or liabilities in inactive markets, (3) inputs other than quoted prices that are observable for the asset or liability, and (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. All fair value measurements are determined with reference to level 1 inputs.

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

- Money Market Funds: Determined by the published net asset value per unit at the end of the last trading day of the year, which is the basis for transactions at that date.
- Exchange-traded funds: Determined by the published closing price on the last business day of the fiscal year.

NOTE 5 – PROPERTY AND EQUIPMENT

Land, building and equipment consist of the following at June 30:

	2020	2019
Land	$ 136,000	$ 136,000
Building	449,529	449,529
Office Furniture and Equipment	40,422	36,201
Accumulated Depreciation	(266,670)	(251,414)
Total	$ 359,281	$ 370,316

NOTE 6 – ASSETS HELD IN TRUST

As discussed in Note 1, United Way reports an asset for amounts held at the Community Foundation of North Central Florida (CFNCF). The following displays the changes in those amounts:

	2020	2019
Balance – Beginning of the Year	$ 52,773	$ 53,125
Increase (decrease) in value	(2,701)	(352)
Balance – End of Year	$ 50,072	$ 52,773

CFNCF reports the value of the United Way's assets based on the United Way's relative share of a pooled fund. Fair value is reported using the net asset value practical expedient.

NOTE 7 – RESTRICTIONS ON NET ASSETS :

Net assets released from donor restriction at June 30, 2020 and 2019 are as follows:

	2020	2019
Disaster Relief	$ 11,300	$ 34,198
Reading Pals	1,764	6,016
Total	$ 13,064	$ 40,214

Net Asset to be Held in Perpetuity

United Way created an endowment fund to provide donors gift planning opportunities that will add stability to the annual campaign, ensure resources for long-term growth, and increase the ability to meet changing community needs. The endowment fund comprises donor-restricted contributions designed to function as an endowment. Earnings of the investments of the endowment fund are not restricted.

United Way has interpreted Florida Law governing the management of endowment funds to require the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. Therefore, United Way seeks to maintain the value of investments that exceed the amount of the original gifts. United Way's primary investment objective is the preservation of endowment capital in keeping with a moderate tolerance for risk. In accordance with ASU

2016-14, the Foundation reports any portion of the endowment that is “underwater” in net assets with donor restrictions.

	Endowment
Original gift amount	$ 52,783
Current endowment value	50,072
Underwater portion of endowment	$ 2,711

United Way created an account at the Community Foundation of North Central Florida, Inc. to hold its endowment. See Note 6.

NOTE 8 – CONCENTRATIONS OF CREDIT RISK

United Way holds cash at a local commercial bank which is insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At June 30, 2020 and 2019, United Way held $481,694 and $379,029 respectively, in excess of FDIC coverage.

The unconditional promises to give amount is composed of corporate and individual pledges from residents of North Central Florida and the surrounding communities. Unconditional promises to give are unsecured. Promises to give are billed by United Way or directly deducted from employees’ paychecks by employers, who in turn remit them to United Way. The probability of the promises to give being honored is significantly influenced by the general economic conditions of the area.

NOTE 9 – RETIREMENT PLAN

United Way’s retirement plan is an elective 403(b) defined-contribution retirement plan with elective employer contributions. An employee is eligible to participate in the plan after the completion of one year of eligibility service. An employee is credited with a year of eligibility service by completing at least 1,000 hours of service by the first anniversary of the hire date. The employee’s vested interest in employer contributions is based on a graded schedule. United Way elected to contribute to all eligible participants a maximum of six percent of annual compensation. For the years ended June 30, 2020 and 2019, the United Way expense was $33,464 and $20,664, respectively.

NOTE 10 – DONATIONS OF GOODS AND SERVICES

Donated goods and services consist of the following:

	2020	2019
Community Impact Goods and Services	$ 118,575	$ 158,240
Events	90	2,189
Marketing & Media	16,556	17,900
Skilled Services	3,000	14,609
Total	**$ 138,221**	**$ 192,938**

NOTE 11 – RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

The FASB and other entities issued new or modifications to, or interpretations of, existing accounting guidance during 2020 and previous years. The United Way has considered the new pronouncements that altered accounting principles generally accepted in the United States of America, and other than as disclosed in the notes to the financial statements, does not believe that any other new or modified principles will have a material impact on the United Way’s reported financial position or operations in the near term.

In May 2014, the FASB issued Accounting Standards Update 2014-09: *Revenue from Contracts with Customers*, to clarify the principles used to recognize revenue for all entities. The new standard (as amended) is effective for fiscal years beginning after December 15, 2019, and may be adopted early. The United Way is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

In February 2016, the FASB issued Accounting Standards Update 2016-02: Leases (Topic 842), to increase transparency and comparability among the Agency by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. The new standard is effective for fiscal years beginning after December 15, 2021 and may be adopted early. The United Way is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

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. ASU 2018-08 was issued to clarify and improve the guidance in GAAP for distinguishing transactions that are contributions from those that are exchange transactions. The ASU also provides guidance for determining whether a contribution is conditional. The amendments in ASU 2018-08 are effective for nonprofit organizations that are providers of resources for annual periods beginning after December 15, 2019. The United Way is currently evaluating the impact of this ASU on its financial reporting.

In September 2020, the FASB issued ASU No. 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. This change in accounting principal is effective for fiscal years beginning after June 15, 2021. The United Way is evaluating the impact of this ASU on its financial reporting.

NOTE 12 – REFUNDABLE ADVANCE

On April 16, 2020, the United Way received loan proceeds in the amount of $160,400, pursuant to the Paycheck Protection Program (PPP) established as part of the federal Coronavirus Aid, Relief and Economic Security Act (CARES Act). Under the terms of the PPP, loan proceeds and accrued interest are forgivable if they are used for qualifying expenses such as payroll, benefits, rent and utilities, and the United Way maintains its payroll levels over a specified period of time as described in the CARES Act. Any unforgiven portion of the loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first ten months after the last day of the covered period. Management intends to utilize loan proceeds for purposes consistent with the PPP and believes substantially all of the loan will be forgiven, though it is reasonably possible that conditions could arise that would make the United Way ineligible for forgiveness of the loan, in whole or in part. Accordingly, this is recorded as a refundable advance on the statement of financial position.

NOTE 13 – SUBSEQUENT EVENTS

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, broad domestic and international stock market indices have declined and the Organization's fair value of investments has declined similarly. Such declines in the fair value of investments held by the Organization may materially and adversely impact the Organization's ability to achieve its investment objectives and therefore, its operational objectives. In addition, the extent to which these events will affect the amounts reported in future financial statements remains uncertain. United Way received a Paycheck Protection Plan (PPP) loan in April 2020. Forgiveness for this loan was received in February 2021. In preparing these financial statements, United Way has evaluated events and transactions for potential recognition or disclosure through May 17, 2021, the date the financial statements were available to be issued.