

**HEART OF FLORIDA  
UNITED WAY, INC.**

**FINANCIAL STATEMENTS**

*For the Years Ended June 30, 2020 and 2019*

*And Report of Independent Auditor*

# HEART OF FLORIDA UNITED WAY, INC.

## TABLE OF CONTENTS

---

	Page
<b>REPORT OF INDEPENDENT AUDITOR</b> .....	1-2
<b>FINANCIAL STATEMENTS:</b>	
Statements of Financial Position .....	3
Statements of Activities .....	4-5
Statements of Functional Expenses .....	6-7
Statements of Cash Flows .....	8
Notes to Financial Statements .....	9-19
<b>SUPPLEMENTARY INFORMATION:</b>	
Schedule of Expenditures of Federal Awards .....	20
Notes to Schedule of Expenditures of Federal Awards .....	21
<b>OTHER REPORTS AND SCHEDULES:</b>	
Report of Independent Auditor on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	22-23
Report of Independent Auditor on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance .....	24-25
Schedule of Findings and Questioned Costs – Federal Awards .....	26-27
Summary Schedule of Prior Audit Findings and Corrective Action Plan .....	28

## Report of Independent Auditor

The Board of Directors  
Heart of Florida United Way, Inc.  
Orlando, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of Heart of Florida United Way, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the 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 Heart of Florida United Way, Inc. as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters***Other Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The 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 November 19, 2020, on our consideration of Heart of Florida United Way, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of Heart of Florida United Way, Inc.'s 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 Heart of Florida United Way, Inc.'s internal control over financial reporting and compliance.



Orlando, Florida  
November 19, 2020

## **FINANCIAL STATEMENTS**

**HEART OF FLORIDA UNITED WAY, INC.**  
**STATEMENTS OF FINANCIAL POSITION**

*JUNE 30, 2020 AND 2019*

	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>		
Cash	\$ 15,437,591	\$ 9,588,165
Investments - operating	10,140,864	9,807,281
Campaign pledges receivable, less allowance for uncollectible pledges of \$2,714,588 and \$2,280,402 in 2020 and 2019, respectively	2,503,671	6,339,340
Grants receivable	1,278,232	1,261,824
Other receivables	145,490	163,667
Prepaid expenses	90,708	167,384
Gift-in-kind inventory	-	13,265
Property and equipment, net	3,346,592	3,520,652
Pooled investment with Central Florida Foundation, Inc.	1,769,487	1,801,122
<b>Total Assets</b>	<b>\$ 34,712,635</b>	<b>\$ 32,662,700</b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 678,282	\$ 596,363
Accrued expenses	569,376	410,171
Campaign pledges due to designated agencies and other United Way organizations	929,439	2,138,769
Grants payable	1,827,430	490,270
Loan payable	1,178,200	-
<b>Total Liabilities</b>	<b>5,182,727</b>	<b>3,635,573</b>
 <b>NET ASSETS</b>		
Without donor restrictions	19,993,937	16,995,886
With donor restrictions	9,535,971	12,031,241
<b>Total Net Assets</b>	<b>29,529,908</b>	<b>29,027,127</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 34,712,635</b>	<b>\$ 32,662,700</b>

See accompanying Notes to Financial Statements.

**HEART OF FLORIDA UNITED WAY, INC.**  
**STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND SUPPORT</b>			
Gross campaign and initiative results applicable to current period received in prior periods and now released from restriction	\$ 14,506,813	\$ (14,506,813)	\$ -
Donor designations	(3,233,456)	3,233,456	-
Provision for uncollectible pledges	(206,705)	912,787	706,082
<b>Total Net Campaign Revenue for Current Period</b>	<b>11,066,652</b>	<b>(10,360,570)</b>	<b>706,082</b>
Gross workplace campaign and initiative results received for future allocation periods	-	10,699,793	10,699,793
Less donor designations	-	(2,566,253)	(2,566,253)
Less provision for uncollectible pledges	-	(1,299,002)	(1,299,002)
<b>Total Net Campaign Revenue for Future Allocation Periods</b>	<b>-</b>	<b>6,834,538</b>	<b>6,834,538</b>
Grant and contract revenues	6,078,585	-	6,078,585
COVID-19 recovery fund contributions	-	1,847,869	1,847,869
Donated advertising	532,234	-	532,234
Other revenues and contributions	543,857	-	543,857
Emergency assistance funds	-	344,527	344,527
211 grants	-	584,086	584,086
Funds released from restriction	1,745,720	(1,745,720)	-
Investment return, net	512,437	-	512,437
<b>Total Revenues and Support</b>	<b>20,479,485</b>	<b>(2,495,270)</b>	<b>17,984,215</b>
<b>EXPENSES</b>			
Program Services:			
Allocation services	5,590,465	-	5,590,465
Ryan White	2,658,796	-	2,658,796
Other program services	6,176,003	-	6,176,003
<b>Total Program Expenses</b>	<b>14,425,264</b>	<b>-</b>	<b>14,425,264</b>
Supporting Services:			
Management and general	1,948,983	-	1,948,983
Campaign	1,107,187	-	1,107,187
<b>Total Supporting Services</b>	<b>3,056,170</b>	<b>-</b>	<b>3,056,170</b>
<b>Total Expenses</b>	<b>17,481,434</b>	<b>-</b>	<b>17,481,434</b>
<b>Increase (Decrease) in Net Assets</b>	<b>2,998,051</b>	<b>(2,495,270)</b>	<b>502,781</b>
<b>Net Assets</b>			
Beginning	16,995,886	12,031,241	29,027,127
Ending	<b>\$ 19,993,937</b>	<b>\$ 9,535,971</b>	<b>\$ 29,529,908</b>

See accompanying Notes to Financial Statements.

**HEART OF FLORIDA UNITED WAY, INC.**  
**STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2019

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUES AND SUPPORT</b>			
Gross campaign and initiative results applicable to current period received in prior periods and now released from restriction	\$ 16,561,930	\$ (16,561,930)	\$ -
Donor designations	(5,479,373)	5,479,373	-
Provision for uncollectible pledges	(1,029,050)	1,039,657	10,607
<b>Total Net Campaign Revenue for Current Period</b>	<b>10,053,507</b>	<b>(10,042,900)</b>	<b>10,607</b>
Gross workplace campaign and initiative results received for future allocation periods	-	14,506,813	14,506,813
Less donor designations	-	(3,233,456)	(3,233,456)
Less provision for uncollectible pledges	-	(912,787)	(912,787)
<b>Total Net Campaign Revenue for Future Allocation Periods</b>	<b>-</b>	<b>10,360,570</b>	<b>10,360,570</b>
Grant and contract revenues	6,772,255	-	6,772,255
Hurricane remediation contributions	-	280,483	280,483
Gifts-in-kind contributions	41,224	-	41,224
Donated advertising	823,178	-	823,178
Other revenues and contributions	295,261	-	295,261
Emergency assistance funds	-	435,553	435,553
211 grants	-	465,686	465,686
Funds released from restriction	1,862,223	(1,862,223)	-
Investment return, net	729,689	-	729,689
<b>Total Revenues and Support</b>	<b>20,577,337</b>	<b>(362,831)</b>	<b>20,214,506</b>
<b>EXPENSES</b>			
Program Services:			
Allocation services	5,690,153	-	5,690,153
Ryan White	3,178,821	-	3,178,821
Other program services	6,859,250	-	6,859,250
<b>Total Program Expenses</b>	<b>15,728,224</b>	<b>-</b>	<b>15,728,224</b>
Supporting Services:			
Management and general	1,748,300	-	1,748,300
Campaign	1,691,652	-	1,691,652
<b>Total Supporting Services</b>	<b>3,439,952</b>	<b>-</b>	<b>3,439,952</b>
<b>Total Expenses</b>	<b>19,168,176</b>	<b>-</b>	<b>19,168,176</b>
<b>Increase (Decrease) in Net Assets</b>	<b>1,409,161</b>	<b>(362,831)</b>	<b>1,046,330</b>
<b>Net Assets</b>			
Beginning	15,586,725	12,394,072	27,980,797
Ending	<b>\$ 16,995,886</b>	<b>\$ 12,031,241</b>	<b>\$ 29,027,127</b>

**HEART OF FLORIDA UNITED WAY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**

YEAR ENDED JUNE 30, 2020

	2020							
	Program Services			Supporting Services				
	Allocation Services	Ryan White	Other Program Services	Total Program Services	Management and General	Campaign	Total Supporting Services	Total Expenses
Gross campaign to agencies	\$ 6,707,932	\$ -	\$ -	\$ 6,707,932	\$ -	\$ -	\$ -	\$ 6,707,932
Less donor designations	(3,233,456)	-	-	(3,233,456)	-	-	-	(3,233,456)
<b>Campaign allocations to agencies</b>	<b>3,474,476</b>	<b>-</b>	<b>-</b>	<b>3,474,476</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,474,476</b>
Salaries	1,241,781	368,841	1,766,054	3,376,676	1,021,494	578,536	1,600,030	4,976,706
Payroll taxes and other employee benefits	375,097	129,430	506,941	1,011,468	254,144	173,513	427,657	1,439,125
Retirement plan	61,474	33,408	130,201	225,083	76,984	50,299	127,283	352,366
<b>Total salaries and related expenses</b>	<b>1,678,352</b>	<b>531,679</b>	<b>2,403,196</b>	<b>4,613,227</b>	<b>1,352,622</b>	<b>802,348</b>	<b>2,154,970</b>	<b>6,768,197</b>
Emergency homelessness services	-	-	2,045,210	2,045,210	-	-	-	2,045,210
Medical and non-medical case management	-	573,011	-	573,011	-	-	-	573,011
AIDS pharmaceutical assistance	-	547,131	-	547,131	-	-	-	547,131
Donated advertising	-	-	451,105	451,105	-	81,129	81,129	532,234
Other program expenses	-	-	488,593	488,593	-	-	-	488,593
State and national dues	-	-	152,839	152,839	197,067	17,742	214,809	367,648
Professional fees	65,092	8,310	207,995	281,397	74,836	9,088	83,924	365,321
Early intervention services	-	309,501	-	309,501	-	-	-	309,501
Depreciation	-	-	-	-	193,881	16,569	210,450	210,450
Telephone	172,676	5,158	19,273	197,107	6,081	5,098	11,179	208,286
Food bank	-	145,944	-	145,944	-	-	-	145,944
Ambulatory/outpatient medical care (AOMC)	-	142,660	-	142,660	-	-	-	142,660
Advertising	-	-	141,509	141,509	-	-	-	141,509
Health insurance premium/cost sharing	-	134,066	-	134,066	-	-	-	134,066
Campaign expenses	-	-	-	-	-	110,085	110,085	110,085
Computer supplies and maintenance	47,624	3,453	25,410	76,487	17,195	7,185	24,380	100,867
Building maintenance	45,674	3,559	26,247	75,480	9,572	7,306	16,878	92,358
Medical transportation services	-	91,676	-	91,676	-	-	-	91,676
Medical nutritional therapy	-	64,103	-	64,103	-	-	-	64,103
Utilities	30,001	4,999	17,193	52,193	6,019	4,788	10,807	63,000
Promotional activities	-	-	32,800	32,800	19,539	7,231	26,770	59,570
Office supplies	15,488	3,513	25,674	44,675	7,741	3,603	11,344	56,019
Membership dues	1,360	-	28,611	29,971	15,139	6,858	21,997	51,968
Liability insurance	22,120	3,375	16,001	41,496	6,495	3,844	10,339	51,835
Printing	12,341	1,615	19,566	33,522	3,246	6,601	9,847	43,369
Local transportation	1,863	10,009	15,522	27,394	5,545	5,316	10,861	38,255
Conferences and meetings	1,364	7,987	18,660	28,011	4,625	2,167	6,792	34,803
Oral health care	-	33,640	-	33,640	-	-	-	33,640
Equipment rental and maintenance	12,837	835	9,402	23,074	2,416	2,036	4,452	27,526
Staff development and training	8,864	498	6,849	16,211	6,402	4,367	10,769	26,980
Miscellaneous	-	7,072	2,536	9,608	13,768	2,078	15,846	25,454
Home health care	-	17,770	-	17,770	-	-	-	17,770
Gifts-in-kind program	-	-	13,047	13,047	-	-	-	13,047
Property taxes	-	-	3,390	3,390	2,383	338	2,721	6,111
Program evaluation	-	5,649	-	5,649	-	-	-	5,649
Recruiting and relocation	-	75	2,997	3,072	2,177	303	2,480	5,552
Postage and freight	333	1,024	958	2,315	1,512	880	2,392	4,707
Subscriptions and publications	-	484	1,420	1,904	722	227	949	2,853
<b>Total expenses</b>	<b>\$ 5,590,465</b>	<b>\$ 2,658,796</b>	<b>\$ 6,176,003</b>	<b>\$ 14,425,264</b>	<b>\$ 1,948,983</b>	<b>\$ 1,107,187</b>	<b>\$ 3,056,170</b>	<b>\$ 17,481,434</b>

See accompanying Notes to Financial Statements.

**HEART OF FLORIDA UNITED WAY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**

YEAR ENDED JUNE 30, 2019

	2019							
	Program Services			Supporting Services				
	Allocation Services	Ryan White	Other Program Services	Total Program Services	Management and General	Campaign	Total Supporting Services	Total Expenses
Gross campaign to agencies	\$ 8,972,274	\$ -	\$ -	\$ 8,972,274	\$ -	\$ -	\$ -	\$ 8,972,274
Less donor designations	(5,479,373)	-	-	(5,479,373)	-	-	-	(5,479,373)
<b>Campaign allocations to agencies</b>	<b>3,492,901</b>	<b>-</b>	<b>-</b>	<b>3,492,901</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,492,901</b>
Salaries	1,276,956	378,499	1,965,976	3,621,431	866,016	655,815	1,521,831	5,143,262
Payroll taxes and other employee benefits	472,258	145,826	641,075	1,259,159	260,553	213,673	474,226	1,733,385
Retirement plan	58,440	27,898	140,268	226,606	67,117	41,771	108,888	335,494
<b>Total salaries and related expenses</b>	<b>1,807,654</b>	<b>552,223</b>	<b>2,747,319</b>	<b>5,107,196</b>	<b>1,193,686</b>	<b>911,259</b>	<b>2,104,945</b>	<b>7,212,141</b>
Emergency homelessness services	-	-	2,016,656	2,016,656	-	-	-	2,016,656
Professional fees	52,447	6,806	759,418	818,671	79,031	7,710	86,741	905,412
Donated advertising	-	-	367,798	367,798	-	455,380	455,380	823,178
Medical and non-medical case management	-	627,210	-	627,210	-	-	-	627,210
Health insurance premium/cost sharing	-	596,376	-	596,376	-	-	-	596,376
Ambulatory/outpatient medical care (AOMC)	-	384,336	-	384,336	-	-	-	384,336
Gifts-in-kind program	-	-	293,918	293,918	-	-	-	293,918
AIDS pharmaceutical assistance	-	265,690	-	265,690	-	-	-	265,690
State and national dues	-	-	117,001	117,001	125,303	21,940	147,243	264,244
Depreciation	-	-	-	-	196,166	17,763	213,929	213,929
Other program expenses	-	-	212,116	212,116	-	-	-	212,116
Telephone	117,407	5,673	28,477	151,557	8,884	10,318	19,202	170,759
Early intervention services	-	152,285	-	152,285	-	-	-	152,285
Campaign expenses	-	-	-	-	-	148,646	148,646	148,646
Oral health care	-	145,972	-	145,972	-	-	-	145,972
Computer supplies and maintenance	61,802	3,260	34,235	99,297	18,178	14,085	32,263	131,560
Referral specialist	-	123,213	-	123,213	-	-	-	123,213
Medical transportation services	-	116,797	-	116,797	-	-	-	116,797
Building maintenance	42,885	3,598	33,453	79,936	10,408	12,340	22,748	102,684
Staff development and training	28,532	8,221	24,383	61,136	14,304	8,442	22,746	83,882
Utilities	30,359	5,352	23,398	59,109	7,558	8,927	16,485	75,594
Office supplies	8,798	12,040	31,798	52,636	6,914	7,932	14,846	67,482
Mental health services	-	61,322	-	61,322	-	-	-	61,322
Promotional activities	-	-	33,384	33,384	19,222	7,050	26,272	59,656
Membership dues	1,560	-	31,200	32,760	18,549	8,279	26,828	59,588
Local transportation	3,996	12,378	21,823	38,197	5,494	9,692	15,186	53,383
Liability insurance	17,784	2,751	20,791	41,326	6,027	5,715	11,742	53,068
Medical nutritional therapy	-	51,998	-	51,998	-	-	-	51,998
Printing	5,810	2,590	18,180	26,580	3,452	12,700	16,152	42,732
Equipment rental and maintenance	17,434	1,893	13,271	32,598	5,131	4,482	9,613	42,211
Conferences and meetings	549	9,983	13,561	24,093	3,678	12,334	16,012	40,105
Miscellaneous	-	5,493	983	6,476	15,090	1,894	16,984	23,460
Food bank	-	19,660	-	19,660	-	-	-	19,660
Recruiting and relocation	-	48	9,496	9,544	5,431	1,346	6,777	16,321
Postage and freight	235	1,653	1,395	3,283	2,857	2,145	5,002	8,285
Property taxes	-	-	3,960	3,960	2,280	565	2,845	6,805
Subscriptions and publications	-	-	1,236	1,236	657	708	1,365	2,601
<b>Total expenses</b>	<b>\$ 5,690,153</b>	<b>\$ 3,178,821</b>	<b>\$ 6,859,250</b>	<b>\$ 15,728,224</b>	<b>\$ 1,748,300</b>	<b>\$ 1,691,652</b>	<b>\$ 3,439,952</b>	<b>\$ 19,168,176</b>

See accompanying Notes to Financial Statements.

**HEART OF FLORIDA UNITED WAY, INC.**  
**STATEMENTS OF CASH FLOWS**

YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<b>Cash Flows From Operating Activities</b>		
Increase in net assets	\$ 502,781	\$ 1,046,330
Adjustments to reconcile increase in net assets to net cash used by operating activities:		
Depreciation	210,450	213,929
Provision for uncollectible pledges	592,920	902,180
Gift-in-kind inventory contributions (net of allocations)	13,265	254,143
Net realized and unrealized gains on investments	(103,748)	(437,823)
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Campaign pledges receivable	3,242,749	(187,131)
Grants receivable	(16,408)	335,511
Other receivables	18,177	153,373
Prepaid expenses	76,676	22,977
Increase (decrease) in liabilities:		
Accounts payable	81,919	90,701
Accrued expenses	159,205	(30,130)
Campaign pledges due to designated agencies and other United Way organizations	(1,209,330)	(460,185)
Grants payable	1,337,160	(54,333)
<b>Net cash provided by operating activities</b>	<u>4,905,816</u>	<u>1,849,542</u>
<b>Cash Flows From Investing Activities</b>		
Purchases of property and equipment	(36,390)	(97,231)
Purchases of investments	(3,306,671)	(559,741)
Proceeds from sale of investments	3,108,471	377,174
<b>Net cash used in investing activities</b>	<u>(234,590)</u>	<u>(279,798)</u>
<b>Cash Flows From Financing Activities</b>		
Proceeds from loan	1,178,200	-
<b>Net cash provided by investing activities</b>	<u>1,178,200</u>	<u>-</u>
<b>Net increase in cash</b>	<b>5,849,426</b>	<b>1,569,744</b>
Cash:		
Beginning	9,588,165	8,018,421
Ending	<u>\$ 15,437,591</u>	<u>\$ 9,588,165</u>

See accompanying Notes to Financial Statements.

# HEART OF FLORIDA UNITED WAY, INC.

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

---

### Note 1 - Summary of significant accounting policies

*Nature of organization* – United Way organizations have been serving the Central Florida community since 1939. In 1988, the United Ways of Orange, Seminole, and Osceola Counties merged to form Heart of Florida United Way, Inc. (“The United Way” or the “Organization”). The United Way is a not-for-profit corporation designed to improve lives by mobilizing the caring power of our communities. The United Way works with community partners to find long-term systemic change solutions for problems that impact lives. The Organization is governed by a volunteer board of directors.

The United Way conducts its annual campaign each year to obtain funds for charitable purposes and for operating expenses of the coming year. Substantially all of the Organization’s campaign contributions are from individuals, businesses, or not-for-profit organizations in the Central Florida area.

The United Way administers the Ryan White program in the Central Florida area, which provides medical care and support services to individuals that are affected by Human Immunodeficiency Virus (“HIV”)/Acquired Immune Deficiency Syndrome (“AIDS”). The United Way receives federal, state and local grants and administers the distribution of funds to third-party service providers on a cost reimbursement basis. Accordingly, grant dollars received and disbursed are included as revenues and expenses in the accompanying statements of activities.

The United Way also responds to the human service needs within its tri-county jurisdiction of Orange, Seminole, and Osceola counties. The United Way facilitates the integration of the social service system in Central Florida, providing a forum for social service providers, funders, and customers to store and access information to meet each of their needs. The United Way developed a telephone information service known as 2-1-1 Community Information and Referral (“2-1-1”), designated by the Public Service Commission as the three digit dialing code nationwide for access to community human service information and referral. Additionally, the United Way facilitates community support through collection of public contributions and expenditure on designated activities.

A summary of the Organization’s significant accounting policies follows:

Basis of Presentation: The Organization’s financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”). Based on the existence or absence of donor-imposed restrictions, the Organization classifies resources into two categories: without donor restrictions and with donor restrictions.

*Without Donor Restrictions* – Net assets without donor restrictions are free of donor-imposed restrictions. All revenues, gains, and losses that are not restricted by donors are included in this classification. All expenditures are reported in the without donor restrictions class of net assets, including expenditures funded by restricted contributions. Expenditures funded by restricted contributions are reported in the without donor restrictions net asset class because the use of restricted contributions in accordance with donors’ stipulations results in the release of such restrictions.

*With Donor Restrictions* – Net assets with donor restrictions are limited as to use by donor-imposed stipulations that may expire with the passage of time or that may be satisfied by action of the Organization. Some net assets with donor restrictions are required by donors to be held in perpetuity. The donor of net assets to be held in perpetuity permit the Organization to use the income earned to support either building maintenance or other needs of The United Way.

# HEART OF FLORIDA UNITED WAY, INC.

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

---

### Note 1 - Summary of significant accounting policies (continued)

Cash Equivalents: The Organization considers all highly-liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The Organization did not have any cash equivalents at June 30, 2020 and 2019.

Investments: Investments are reported at fair value (see Note 2). Realized gains and losses are recognized at date of disposition based on the difference between the net proceeds received and the purchased value of the investment sold, using the specific identification method. Unrealized gains and losses are recognized for the change in fair value between reporting periods. Interest and dividend income is recognized when earned. Investment income is included in the change in net assets without donor restrictions, unless its use is time or purpose restricted by donor stipulations or law.

Campaign Pledges Receivable, Campaign Contributions and Designations: Campaign pledges receivable are unconditional promises received from the annual fundraising campaign and are recorded when the promises to contribute are made, at fair value. The Organization provides an allowance for uncollectible pledges at the time campaign revenues are recorded, based upon management estimates of current economic factors and past experience. Management's estimates are applied to gross campaign amounts, including donor designations.

Undesignated campaign contributions received for future allocation periods, net of an allowance for uncollectible pledges, are recorded as time restricted support and net assets with donor restrictions. These contributions are released from restriction during the year the allocations to agencies are paid. Pledges received which are designated to a specified agency or to another United Way organization by the donor are not recorded as net campaign revenue. These designations are recorded as a liability when the promise to give is received, net of an allowance for uncollectible pledges.

Other Contributions and Emergency Assistance Funds: Other contributions and emergency assistance funds are recognized as revenue at fair value in the period received in the form of cash or unconditional promises to give. Conditional promises to give are not recognized as revenue until the conditions are substantially met. Other contributions are considered to be available for use without donor restrictions unless specifically restricted by the donor. Other contributions that are designated for future periods, receivables to be collected in future periods or restricted by the donor for specific purposes are reported as revenue with donor restrictions that increase this net asset class. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as released from restriction.

Grants Receivable and Revenues: The Organization receives various grants from federal, state, and local governmental agencies for program and supporting services. These grants are generally funded on a cost reimbursement basis, wherein revenues are recognized in the accompanying statements of activities when expenses are made for the purpose specified. Alternatively, certain grants are to fund designated services and are not on a cost reimbursement basis. Revenues for these other grants are recognized as funding is received.

By terms of the Organization's grants, certain funding agencies reserve the right to examine records relating to cost reimbursements. In the event there is a determination of non-qualifying expenditures for which a reimbursement has been made, the funding agency may demand a refund for the appropriate amount. Management of the Organization does not anticipate adjustments to be made for grants. Accordingly, no provision for liability has been made in the accompanying financial statements.

Grants receivable are primarily due from federal, state and local governmental agencies and are stated at net realizable value. The majority of these receivables relate to reimbursement of subrecipient expenditures, for which grants payable are presented, as well as 2-1-1 support grants.

# HEART OF FLORIDA UNITED WAY, INC.

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

---

### Note 1 - Summary of significant accounting policies (continued)

Gift-in-kind Inventory Contributions and Allocations: The United Way's Gifts-in-Kind ("GIK") program solicits donated equipment and supplies from local and national companies and provides them to local agencies at amounts significantly below retail value. Donated items are received at The United Way's GIK Distribution Center and are recorded in inventory at their estimated fair value on the date received. The United Way records donated items as gifts-in-kind contributions when received and as gifts-in-kind allocations when the inventory is distributed to local agencies. This program ended during the year ended June 30, 2019.

Property and Equipment: Property and equipment are recorded at cost, if purchased, or at fair value on the date received, if donated. Improvements and betterments are capitalized, while repair and maintenance expenditures are presented as expenses.

Depreciation of property and equipment is computed using the straight-line method of accounting over the estimated useful lives of the assets, which range from 3 to 40 years.

The carrying value of property and equipment is reviewed for impairment whenever events or changes in circumstances indicate such value may not be recoverable. Recoverability of assets or asset groups to be held and used is measured by a comparison of the carrying amount of an asset or asset group to future net cash flows expected to be generated by the asset or asset group. If such assets or asset groups are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets or asset groups. Assets or asset groups to be disposed of are reported at the lower of the carrying amount or fair value less cost to sell. No impairment of the Organization's long-lived assets or asset groups have been recognized during the years ended June 30, 2020 and 2019.

Functional Expenses: The cost of providing various programs and supporting services have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated amongst the various programs and supporting services benefited. Expenses are allocated among functional categories based on the full-time equivalent ("FTE") allocation method. This method is in accordance with United Way Worldwide's reporting guidelines. The Organization's functional categories are as follows:

Allocation services – Expenses related to activities in determining allocations to agencies and expenses related to allocations made to agencies.

Ryan White – Expenses related to The United Way's payment of grant monies to the providers of medical and related services to achieve the program objectives of the Ryan White program.

Other program services – Expenses related to information and referral services and emergency assistance to individuals and organizations.

Management and general – All other functional expenses of the Organization not related to allocation services, the Ryan White program, other program services, or campaign expenses.

Campaign – Expenses related to the Organization's efforts at raising money for The United Way fundraising campaign held each year.

# HEART OF FLORIDA UNITED WAY, INC.

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

---

### Note 1 - Summary of significant accounting policies (continued)

Contributed Services: Contributed services are reported at fair value in the financial statements for voluntary donations of services when those services (1) create or enhance non-financial assets or (2) require specialized skills provided by individuals possessing those skills and are services which would be typically purchased if not provided by donation. During the years ended June 30, 2020 and 2019, the Organization recorded contributed services of \$532,234 and \$823,178, respectively, which represents donated advertising and is included in the accompanying statements of activities and functional expenses. In addition, many individuals volunteer time for administrative and program functions. The value of the volunteered time for these functions is not included in the financial statements because it does not meet the criteria for recognition.

Income Taxes: The Organization is generally exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under similar provisions of the Florida Statutes.

Management believes that the Organization continues to satisfy the requirements of a tax-exempt organization at June 30, 2020 and 2019.

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 of assets, liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and support, and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations of Credit Risk: The Organization's financial instruments that are exposed to concentrations of credit risk consist of cash placed with federally insured financial institutions. Such accounts may at times exceed federally insured limits. The Organization has not experienced any losses on such accounts.

The Organization received 2019 and 2018 campaign pledges from employees and corporate matches of two companies that represented approximately 7% and 23% of fiscal 2020 and approximately 24% and 23% of fiscal 2019 gross campaign results, respectively. Substantially all of the Organizations' campaign pledges receivable are due from individuals, businesses, or not-for-profit organizations in the Central Florida area.

Economic Environment: During March 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") as a global pandemic which continues to spread throughout the world and has contributed to significant volatility in the financial markets. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the Organization, including the performance of its investments and the collectability of receivables.

**HEART OF FLORIDA UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

YEARS ENDED JUNE 30, 2020 AND 2019

**Note 2 – Investments and Fair Value Measurements**

The fair value of investments at June 30, 2020 and 2019 consists of the following:

	<u>2020</u>	<u>2019</u>
Money market funds	\$ 138,929	\$ 155,819
Mutual funds:		
Intermediate term bond fund	2,990,650	3,402,530
Large blend fund	2,593,034	3,132,014
Intermediate core-plus bond	1,035,983	-
Multisector bond fund	809,405	831,602
Small blend fund	608,464	691,134
Mid-cap blend fund	594,630	696,811
Foreign large blend fund	557,102	656,098
Ultrashort bond	278,290	-
Diversified emerging markets fund	199,714	241,273
Hedge funds at net asset value	<u>334,663</u>	-
Total investments - operating	<u>10,140,864</u>	<u>9,807,281</u>
Pooled investment with Central Florida Foundation, Inc.	<u>1,769,487</u>	<u>1,801,122</u>
<b>Total investments</b>	<b><u>\$ 11,910,351</u></b>	<b><u>\$ 11,608,403</u></b>

The investment return, net for the years ended June 30, 2020 and 2019 consists of the following:

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ 408,689	\$ 291,866
Net realized and unrealized gain on investments	<u>103,748</u>	<u>437,823</u>
<b>Investment return, net</b>	<b><u>\$ 512,437</u></b>	<b><u>\$ 729,689</u></b>

# HEART OF FLORIDA UNITED WAY, INC.

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

---

### Note 2 – Investments and Fair Value Measurements (continued)

The Organization incurred investment management fees of \$64,095 and \$64,361 for the years ended June 30, 2020 and 2019, respectively. These fees are included in the investment return, net presented above.

The Organization invests in various investment securities in accordance with its investment policy. These investment securities are exposed to various risks such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the uncertainty related to changes in their values, it is reasonable to expect that changes in the values of investment securities will occur in the near term and that such changes could materially affect the investment balance.

The Organization follows generally accepted accounting principles in the United States of America relating to fair value measurements, which define fair value, establish a framework for measuring fair value in accordance with accounting principles generally accepted in the United States of America and expand disclosures about fair value measurements. 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. The accounting principles relating to fair value measurements establish a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. Investments recorded at fair value in the accompanying statements of financial position are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Level inputs, as defined by this guidance, are as follows:

Level Input	Input Definition
Level I	Quoted market prices in active markets for identical assets or liabilities
Level II	Observable inputs other than Level I, including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data.
Level III	Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability.

Fair value of money market and mutual funds are based on quoted market prices, presented as Level I in the fair value hierarchy at June 30, 2020 and 2019.

The fair value of the pooled investment with Central Florida Foundation, Inc. (the "Foundation") is determined based on the Organization's allocated share of the Foundation's investment pool. Information is provided to the Organization by Foundation management in the form of quarterly investment reports and through the Foundation's annual audit. The pooled investments at the Foundation primarily consist of Level I and Level II securities. The pooled investment with the Foundation is classified as a Level III in the fair value hierarchy at June 30, 2020 and 2019, due to redemption restrictions that cannot occur unless approved by the Foundation Board of Directors.

**HEART OF FLORIDA UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

YEARS ENDED JUNE 30, 2020 AND 2019

**Note 2 – Investments and Fair Value Measurements (continued)**

The table below sets forth a summary of the changes in the fair value of the Organization's Level III investment during the years ended June 30, 2020 and 2019.

	<u>2020</u>	<u>2019</u>
	<b>Pooled Investment with Central Florida Foundation, Inc.</b>	<b>Pooled Investment with Central Florida Foundation, Inc.</b>
Balance, beginning of year	\$ 1,801,122	\$ 1,757,974
Investment return, net	47,748	120,382
Distributions	(79,383)	(77,234)
Balance, end of year	<u>\$ 1,769,487</u>	<u>\$ 1,801,122</u>

The hedge fund accounts are not available in an exchange or an active market; however, as a practical expedient, the fair value is determined based on the Net Asset Value ("NAV") of the underlying assets as traded in an exchange or active market. No shareholder has the right to require the funds to redeem their shares. There is no public market for shares, and none is expected to develop. Consequently, shareholders may not be able to liquidate their investment other than as a result of repurchase of shares by the funds. There are no unfunded commitments.

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

**Note 3 – Grants Receivable**

Grants receivable at June 30, 2020 and 2019 consist of the following and are due in less than one year:

	<u>2020</u>	<u>2019</u>
Florida Department of Health	\$ 377,170	\$ 415,815
Disaster Distress Helpline Link2Health	252,713	-
Orange County	247,046	211,159
United States Department of the Treasury	113,457	94,546
United Way Suncoast	65,800	-
Department of Children and Families	63,264	17,257
Children's Forum	22,601	37,668
Florida State Attorney's Office	-	332,228
Other	136,181	153,151
	<u>\$ 1,278,232</u>	<u>\$ 1,261,824</u>

**HEART OF FLORIDA UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

YEARS ENDED JUNE 30, 2020 AND 2019

**Note 4 – Property and Equipment**

Property and equipment at June 30, 2020 and 2019 are summarized as follows:

	Useful Lives (Years)	2020	2019
Land		\$ 275,000	\$ 275,000
Building and improvements	5 - 40	5,528,726	5,521,389
Furniture and equipment	5 - 10	130,807	130,807
Computer equipment	3 - 5	820,631	791,579
Vehicles	3	36,308	36,308
		<u>6,791,472</u>	<u>6,755,083</u>
Less accumulated depreciation		<u>(3,444,880)</u>	<u>(3,234,431)</u>
		<u>\$ 3,346,592</u>	<u>\$ 3,520,652</u>

**Note 5 – Indebtedness**

On April 17, 2020, the Organization was granted a loan from Truist Bank in the amount of \$1,178,200, pursuant to the Paycheck Protection Program (“PPP”) under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act, which was enacted on March 27, 2020. The PPP provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loan and accrued interest are forgivable after eight weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight-week period. The Paycheck Protection Program Flexibility Act of 2020, which became law on June 5, 2020, extended the covered period for loan forgiveness from eight weeks after the date of loan disbursement to 24 weeks after the date of loan disbursement, providing substantially greater flexibility for borrowers to qualify for loan forgiveness. The unforgiven portion of the PPP loan, if applicable, will be payable over two years at an interest rate of 1%, with a deferral of payments for ten months after the end of the borrower’s loan forgiveness covered period. While the Organization currently believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan, as of year-end, no portion of the loan has been formally forgiven. Therefore, the entire loan balance is recorded as a liability at June 30, 2020, and will be eliminated and recognized as income during fiscal 2021 to the extent forgiven; \$932,560 in associated expenses were incurred during fiscal 2020.

Loan payable payments for the years subsequent to June 30, 2020 are as follows:

Year Ending June 30,	Scheduled PPP Loan Payable Payments*
2022	\$ 540,008
2023	638,192
Total	<u>\$ 1,178,200</u>

\*Assuming the PPP loan is not forgiven.

**HEART OF FLORIDA UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

YEARS ENDED JUNE 30, 2020 AND 2019

**Note 6 – Retirement Plan**

The Organization has a defined contribution 401(k) Profit-Sharing Plan (the “Plan”). All employees who meet certain age and service requirements are eligible to participate in the Plan. The Plan provides for salary reduction contributions from employees and the Organization contributed 10% of an employees’ annual compensation up to the federal tax limit according to the Internal Revenue Code. On June 18, 2020, the Board of Directors, at the recommendation of Organization management, approved a decrease in the Organization contribution from 10% to 5%, effective July 1, 2020. Contributions to this Plan, including administrative expenses, for the years ended June 30, 2020 and 2019 were \$352,366 and \$335,494, respectively.

**Note 7 – Net Assets without Donor Restrictions**

Net assets without donor restrictions at June 30, 2020 and 2019 are available for the following purposes:

	<u>2020</u>	<u>2019</u>
Pooled investment with Central Florida Foundation, Inc.	\$ 1,769,487	\$ 1,801,122
Property and equipment, net	3,346,592	3,520,652
Gift-in-kind inventory	-	13,265
General operating	14,877,858	11,660,847
	<u>\$ 19,993,937</u>	<u>\$ 16,995,886</u>

**Note 8 – Net Assets with Donor Restrictions**

Net assets with donor restrictions are available for the following purposes as of June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Subject to expenditure for specified purpose or passage of time:		
Net undesignated campaign contributions received for future allocation periods	\$ 6,834,538	\$ 10,360,570
COVID-19 recovery fund contributions	1,672,309	-
Hurricane remediation contributions	-	801,019
211 grants	229,124	69,652
	<u>8,735,971</u>	<u>11,231,241</u>
Subject to the restrictions in perpetuity:		
Building and operational endowment	800,000	800,000
Net assets with donor restrictions	<u>\$ 9,535,971</u>	<u>\$ 12,031,241</u>

# HEART OF FLORIDA UNITED WAY, INC.

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

---

### Note 9 – Endowment Funds

The United Way has interpreted the *Florida Uniform Management of Institutional Funds Act* of 2003 and its successor enacted law, the *Florida Uniform Prudent Management of Institutional Funds Act*, effective July 1, 2012, as requiring the preservation of the historic dollar value of the original gift as of the gift date of the donor restricted endowment funds, absent explicit donor stipulation to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restriction the original value of gifts donated to the endowment to be held in perpetuity.

The United Way endowment to be held in perpetuity consists of a donation received in the amount of \$800,000 at June 30, 2020 and 2019, which is restricted by the donor to investment in perpetuity. The income from these invested funds is classified as without donor restriction, since it is expendable to support either building maintenance or other needs of the United Way. The remaining unspent income from these invested funds amounted to \$457,410 and \$459,369 at June 30, 2020 and 2019, respectively.

The United Way also has an endowment for Board-designated funds of \$1,769,487 and \$1,801,122 at June 30, 2020 and 2019, respectively, to support the mission of the Organization. The designation does not specify a spending policy. Since this is an internal designation consisting of a pooled investment with Central Florida Foundation, Inc., and is not donor-restricted, the designation is classified and reported as net assets without donor restrictions.

Annual distributions of earnings may occur upon request of United Way. The distribution of principal from the Organization's investment with the Foundation can be requested by the United Way's Board of Directors, subject to the occurrence of a dire emergency or disaster with community-wide impact, as well as with the approval of the Foundation's Board of Directors. As such the pooled investment in Central Florida Foundation, Inc. is not considered to be a liquid asset of the Organization.

**HEART OF FLORIDA UNITED WAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

YEARS ENDED JUNE 30, 2020 AND 2019

**Note 10 – Liquidity**

The following table reflects the Organization’s financial assets as of June 30, 2020 and 2019, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

	<b>2020</b>	2019
Cash	<b>\$ 15,437,591</b>	\$ 9,588,165
Investments	<b>10,140,864</b>	9,807,281
Campaign pledges receivable, net	<b>2,503,671</b>	6,339,340
Grants receivable	<b>1,278,232</b>	1,261,824
Other receivables	<b>145,490</b>	163,667
	<b>29,505,848</b>	27,160,277
Financial assets at the end of the year		
Less assets unavailable for general expenditures within one year:		
Restricted by donor with purpose restriction	<b>(800,000)</b>	(800,000)
Campaign pledges due to designated agencies and other United Way organizations	<b>(929,439)</b>	(2,138,769)
Board designated endowment	<b>(1,769,487)</b>	(1,801,122)
Financial assets available to meet cash needs for general expenditures within one year	<b>\$ 26,006,922</b>	\$ 22,420,386

For purposes of analyzing resources available to meet general expenditures within one year, the Organization considers all expenditures related to its ongoing activities of improving lives as well as the services undertaken to support those activities to be general expenditures.

Endowment funds consist of a donor-restricted endowment and funds designated by the Board as an endowment. Income from the donor-restricted endowment is classified as without donor restriction, since it is expendable to support either building maintenance or other needs of the United Way. The Board designated endowment does not specify a spending policy. The Organization does not intend to spend from the Board designated endowment and has deducted the funds from financial assets available in the table above. However, these amounts could be made available, if necessary. These funds are invested in money market funds, mutual funds and pooled investments.

**Note 11 – Subsequent Events**

Management has assessed subsequent events and determined there were no events requiring recognition or disclosure through November 19, 2020, the date the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

**HEART OF FLORIDA UNITED WAY, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

YEAR ENDED JUNE 30, 2020

Grantor/Pass-Through/Program Total	Contract Award Number	Federal CFDA #	Portion Expended by Subrecipients	Total Federal Expenditures
<b>Federal Awards:</b>				
<b>U.S. Department of Justice</b>				
Passed through Office for Victims of Crime: Crime Victim Assistance - Discretionary Grant	2018-V3-GX-K012	16.582	\$ 324,218	\$ 461,604
Passed through Office of the Attorney General: Antiterrorism Emergency Reserve	2017-RF-GX-0003 Z0002	16.321	-	284,833
<b>Total U.S. Department of Justice</b>			<u>324,218</u>	<u>746,437</u>
<b>U.S. Department of Health and Human Services</b>				
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	1U79SM062415-01	93.243	-	205,763
Passed through Central Florida Cares Health System: Block Grant for Community Health Services	UW221	93.958	-	296,775
Passed through Orange County:				
HIV Care Formula Grants (Ryan White HIV/AIDS Program Part A)/(ACA)	Y17-164-DG	93.914	-	196,705
HIV Care Formula Grants (Ryan White HIV/AIDS Planning Council)	Y18-186-ZM	93.914	-	154,730
HIV Care Formula Grants (Ryan White HIV/AIDS Planning Council)	Y18-610	93.914	-	70,191
			<u>-</u>	<u>421,626</u>
Passed through Florida Department of Health:				
HIV Care Formula Grants (Ryan White HIV/AIDS Program Part B)	CODLQ-Y2	93.917	239,060	307,439
HIV Care Formula Grants (Ryan White HIV/AIDS Program Part B)	CODLQ-Y3	93.917	1,158,070	1,325,051
HIV Care Formula Grants (Ryan White HIV/AIDS Program General Revenue)	CODMH	93.917	526,980	604,679
			<u>1,924,110</u>	<u>2,237,169</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>1,924,110</u>	<u>3,161,333</u>
<b>U.S. Department of Homeland Security</b>				
Passed through the Emergency Food and Shelter National Board: Emergency Food and Shelter National Board Program	36-1680-00, 36-1684-00, 36-1718-00	97.024	863,455	881,076
<b>Total U.S. Department of Homeland Security</b>			<u>863,455</u>	<u>881,076</u>
<b>U.S. Department of the Treasury</b>				
Volunteer Income Tax Assistance	16VITA-0024	21.009	-	30,356
<b>Total U.S. Department of the Treasury</b>			<u>-</u>	<u>30,356</u>
<b>Total Federal Awards</b>			<u>\$ 3,111,783</u>	<u>\$ 4,819,202</u>

## **HEART OF FLORIDA UNITED WAY, INC.**

### **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

*YEAR ENDED JUNE 30, 2020*

---

#### **Note 1 – Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of the Heart of Florida United Way, 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 the U.S. Office of Management and Budget’s 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 2 – Summary of Significant Accounting Policies**

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 entity identifying numbers (contract or award number) are presented where available.

The Organization elected to use the 10% de minimis indirect cost rate.

**OTHER REPORTS AND SCHEDULES**

**Report of Independent Auditor 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  
Heart of Florida United Way, Inc.  
Orlando, Florida:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Heart of Florida United Way, 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 year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 19, 2020.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Heart of Florida United Way, Inc.'s internal control over financial reporting (internal control) as a basis for designing 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 Heart of Florida United Way, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Heart of Florida United Way, Inc.'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 Heart of Florida United Way, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

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

A handwritten signature in black ink that reads "Cheryl Behrman LLP". The signature is written in a cursive, flowing style.

Orlando, Florida  
November 19, 2020

## **Report of Independent Auditor on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance**

To the Board of Directors  
Heart of Florida United Way, Inc.  
Orlando, Florida:

### **Report on Compliance for Each Major Federal Program**

We have audited Heart of Florida United Way, 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 Heart of Florida United Way, Inc.'s major federal programs for the year ended June 30, 2020. Heart of Florida United Way, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

Management is responsible for compliance with 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 Heart of Florida United Way, 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 Heart of Florida United Way, 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 Heart of Florida United Way, Inc.'s compliance.

#### ***Opinion on Each Major Federal Program***

In our opinion, Heart of Florida United Way, 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, 2020.

## Report on Internal Control Over Compliance

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

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



Orlando, Florida  
November 19, 2020



**HEART OF FLORIDA UNITED WAY, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FEDERAL AWARDS PROGRAMS**

*YEAR ENDED JUNE 30, 2020*

---

**Part II - Schedule of Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no financial statement findings required to be reported in accordance with *Government Auditing Standards*.

**Part III - Federal Award Findings and Questioned Costs**

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of major federal programs, as required to be reported by Uniform Guidance.

There were no findings required to be reported by 2 CFR section 200.516(a).

**HEART OF FLORIDA UNITED WAY, INC.**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN  
FEDERAL AWARDS PROGRAMS**

*YEAR ENDED JUNE 30, 2020*

---

**Summary of Prior Year Findings**

There were no findings required to be reported by 2 CFR section 200.516(a) in the prior year.

**Corrective Action Plan**

There are no audit findings reported in the Schedule of Findings and Questioned Costs for the year ended June 30, 2020; therefore, a Corrective Action Plan is not required.