



United Way of Broward County, Inc.

Financial Statements

As of and for the Years Ended June 30, 2021 and
2020

UNITED WAY OF BROWARD COUNTY, INC.

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Tel: 954-989-7462
Fax: 954-962-1021
www.bdo.com

515 E Las Olas Blvd, 5th Floor
Fort Lauderdale, FL 33301

Independent Auditor's Report

To the Board of Directors of
United Way of Broward County, Inc.
Fort Lauderdale, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of United Way of Broward County, Inc. (the "Organization"), which are comprised of the statement of financial position as of June 30, 2021, and the related statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Prior Year Financial Statements

The financial statements of the Organization as of and for the year ended June 30, 2020 were audited by Morrison, Brown, Argiz & Farra, LLC ("MBAF"), whose partners and professional staff joined BDO USA, LLP as of January 16, 2021, and has subsequently ceased operations. MBAF expressed an unmodified opinion on those statements in their report dated November 18, 2020.



Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary schedules as noted in the table of contents, as required by Chapter 65E-14, *Florida Administrative Code*, is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 December 10, 2021, on our consideration of the Organization'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Fort Lauderdale, Florida
December 10, 2021

BDO USA, LLP
Certified Public Accountant

UNITED WAY OF BROWARD COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION
JUNE 30,

ASSETS	2021	2020
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,629,428	\$ 3,592,065
Investments	26,010,604	4,284,993
Contributions receivable, net	3,987,206	3,652,406
Grants receivable and other receivables	1,031,401	1,141,152
Prepaid expenses and other assets	114,539	113,907
TOTAL CURRENT ASSETS	32,773,178	12,784,523
Contributions receivable - net of current portion	173,461	216,952
Land, buildings and equipment, net	1,146,652	1,278,695
Beneficial interests in assets held by others	1,300,841	1,029,615
TOTAL ASSETS	\$ 35,394,132	\$ 15,309,785
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 1,334,095	\$ 1,202,366
Approved allocations payable	5,190,253	5,286,186
Donor designations payable	182,471	287,240
Paycheck Protection Program refundable advance	-	401,819
TOTAL CURRENT LIABILITIES	6,706,819	7,177,611
COMMITMENTS AND CONTINGENCIES (NOTE 10)		
NET ASSETS		
Without donor restrictions	25,268,376	3,832,886
With donor restrictions	3,418,937	4,299,288
TOTAL NET ASSETS	28,687,313	8,132,174
TOTAL LIABILITIES AND NET ASSETS	\$ 35,394,132	\$ 15,309,785

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

UNITED WAY OF BROWARD COUNTY, INC.

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30,

	2021			2020		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
REVENUES						
Annual campaign contributions	\$ 10,098,145	\$ 125,000	\$ 10,223,145	\$ 12,049,251	\$ -	\$ 12,049,251
Less: donor designations	(865,402)	-	(865,402)	(1,632,100)	-	(1,632,100)
Less: provision for uncollectible pledges	(1,669,804)	-	(1,669,804)	(1,300,000)	-	(1,300,000)
Net annual campaign contributions	7,562,939	125,000	7,687,939	9,117,151	-	9,117,151
MacKenzie Scott Contribution (Note 12)	20,000,000	-	20,000,000	-	-	-
Grant revenue - Payroll Protection Program (Note 13)	401,819	-	401,819	460,055	-	460,055
Business council on homelessness contributions	-	2,000	2,000	-	465,614	465,614
Legacies and bequests	846,948	-	846,948	143,906	-	143,906
Federal, state and private grants	8,649,101	-	8,649,101	8,050,328	-	8,050,328
Net investment income (loss)	1,591,608	325,409	1,917,017	43,162	(12,687)	30,475
Disaster relief revenue	-	655,021	655,021	-	2,788,028	2,788,028
Special events, net	144,813	-	144,813	284,345	-	284,345
Net assets released from restrictions	1,987,781	(1,987,781)	-	1,779,667	(1,779,667)	-
TOTAL REVENUES	41,185,009	(880,351)	40,304,658	19,878,614	1,461,288	21,339,902
EXPENSES						
Allocations and contracted program services:						
Funds allocated to member agencies	4,661,740	-	4,661,740	4,938,442	-	4,938,442
Contracted program services	8,809,538	-	8,809,538	7,887,697	-	7,887,697
Functional expenses:						
Program services	3,546,308	-	3,546,308	3,942,149	-	3,942,149
Support services:						
Fundraising and donor relations	1,780,025	-	1,780,025	1,923,249	-	1,923,249
Management and general	951,908	-	951,908	998,365	-	998,365
TOTAL EXPENSES	19,749,519	-	19,749,519	19,689,902	-	19,689,902
CHANGES IN NET ASSETS	21,435,490	(880,351)	20,555,139	188,712	1,461,288	1,650,000
NET ASSETS AT BEGINNING OF YEAR	3,832,886	4,299,288	8,132,174	3,644,174	2,838,000	6,482,174
NET ASSETS AT END OF YEAR	\$ 25,268,376	\$ 3,418,937	\$ 28,687,313	\$ 3,832,886	\$ 4,299,288	\$ 8,132,174

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

UNITED WAY OF BROWARD COUNTY, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>Donor Relations</u>	<u>Management and General</u>	
Funds allocated to member agencies	\$ 4,661,740	\$ -	\$ -	\$ 4,661,740
Contracted program services	<u>8,809,538</u>	<u>-</u>	<u>-</u>	<u>8,809,538</u>
TOTAL ALLOCATION EXPENSES	<u>13,471,278</u>	<u>-</u>	<u>-</u>	<u>13,471,278</u>
Salaries and related expenses				
Salaries and wages	2,440,989	1,102,340	631,871	4,175,200
Employee benefits and payroll taxes	<u>399,025</u>	<u>206,102</u>	<u>122,494</u>	<u>727,621</u>
Total salaries and related expenses	<u>2,840,014</u>	<u>1,308,442</u>	<u>754,365</u>	<u>4,902,821</u>
Professional fees	119,478	46,957	28,635	195,070
Conferences and outreach events	12,937	51,029	202	64,168
National and state affiliations	240,191	73,890	42,629	356,710
Advertising and awareness	64,740	79,320	3,553	147,613
Equipment rental and maintenance	25,393	5,858	3,645	34,896
Printing and publications	289	96,554	259	97,102
Occupancy	63,553	22,285	18,571	104,409
Insurance	52,546	17,977	10,371	80,894
Supplies	14,547	5,925	4,832	25,304
Telephone	35,526	15,967	8,864	60,357
Travel	8,422	5,151	3,451	17,024
Postage and shipping	5,592	3,973	2,225	11,790
Other expenses	<u>3,661</u>	<u>7,084</u>	<u>37,295</u>	<u>48,040</u>
Total functional expenses before depreciation	<u>3,486,889</u>	<u>1,740,412</u>	<u>918,897</u>	<u>6,146,198</u>
Depreciation	<u>59,419</u>	<u>39,613</u>	<u>33,011</u>	<u>132,043</u>
TOTAL FUNCTIONAL EXPENSES	<u>3,546,308</u>	<u>1,780,025</u>	<u>951,908</u>	<u>6,278,241</u>
TOTAL EXPENSES	<u>\$ 17,017,586</u>	<u>\$ 1,780,025</u>	<u>\$ 951,908</u>	<u>\$ 19,749,519</u>

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

UNITED WAY OF BROWARD COUNTY, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>Donor Relations</u>	<u>Management and General</u>	
Funds allocated to member agencies	\$ 4,938,442	\$ -	\$ -	\$ 4,938,442
Contracted program services	7,887,697	-	-	7,887,697
TOTAL ALLOCATION EXPENSES	12,826,139	-	-	12,826,139
Salaries and related expenses				
Salaries and wages	2,716,580	1,153,721	630,485	4,500,786
Employee benefits and payroll taxes	474,303	224,414	128,205	826,922
Total salaries and related expenses	3,190,883	1,378,135	758,690	5,327,708
Professional fees	127,948	45,069	40,229	213,246
Conferences and outreach events	72,669	25,610	13,419	111,698
National and state affiliations	144,957	60,399	36,239	241,595
Advertising and awareness	45,924	116,896	4,458	167,278
Equipment rental and maintenance	36,158	8,876	5,955	50,989
Printing and publications	6,548	132,778	1,846	141,172
Occupancy	85,360	40,164	33,470	158,994
Insurance	46,450	18,807	11,284	76,541
Supplies	25,885	8,675	6,316	40,876
Telephone	35,916	14,488	8,621	59,025
Travel	37,905	16,114	8,464	62,483
Postage and shipping	4,732	2,606	1,505	8,843
Other expenses	9,288	6,948	28,133	44,369
Total functional expenses before depreciation	3,870,623	1,875,565	958,629	6,704,817
Depreciation	71,526	47,684	39,736	158,946
TOTAL FUNCTIONAL EXPENSES	3,942,149	1,923,249	998,365	6,863,763
TOTAL EXPENSES	\$ 16,768,288	\$ 1,923,249	\$ 998,365	\$ 19,689,902

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

UNITED WAY OF BROWARD COUNTY, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30,

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 20,555,139	\$ 1,650,000
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	132,043	158,946
Provision for uncollectible contributions receivable	1,669,804	1,300,000
Net unrealized and realized (income) loss on investments	(1,610,263)	93,090
(Increase) decrease in operating assets:		
Contributions receivable	(1,961,113)	(896,679)
Grants receivable and other receivables	109,751	1,091,546
Prepaid expenses and other assets	(632)	(4,178)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	131,729	(856,332)
Approved allocations payable	(95,933)	(289,916)
Donor designations payable	(104,769)	(79,663)
Paycheck Protection Program refundable advance	(401,819)	401,819
TOTAL ADJUSTMENTS	<u>(2,131,202)</u>	<u>918,633</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>18,423,937</u>	<u>2,568,633</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment purchases	(37,948,626)	(2,648,331)
Investment sales	17,562,052	1,811,786
Purchases of fixed assets	-	(87,734)
NET CASH USED IN INVESTING ACTIVITIES	<u>(20,386,574)</u>	<u>(924,279)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,962,637)	1,644,354
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>3,592,065</u>	<u>1,947,711</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,629,428</u>	<u>\$ 3,592,065</u>

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

UNITED WAY OF BROWARD COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

1. GENERAL

United Way of Broward County, Inc. (the "Organization") is a volunteer-driven, not-for-profit organization whose mission is to focus and unite the entire community to create significant lasting change in the community impact areas of education, income and health – the building blocks for a better life – which positively impacts people's lives. The Organization was incorporated in the State of Florida in 1976. Revenues are derived principally from contributions that are received from year round fundraising activities that the Organization conducts via direct solicitation to individual and corporate donors as well as from fundraising events.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis of Presentation

Net assets and revenues, gains and losses are classified into two classes of net assets based on existence or absence of donor-imposed restrictions. The two classes of net asset categories are as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the accompanying statements of activities.

Accounting Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements, the reported amounts of public support, revenues, allocations, and expenses during the reporting period. Actual results could differ from those amounts.

Concentrations of Credit and Market Risk

Financial instruments which potentially subject the Organization to concentrations of credit and market risk consist primarily of cash and cash equivalents, receivables, and investments. The Organization maintains cash balances at a financial institution in South Florida. Accounts in the institution are insured by the Federal Deposit Insurance Corporation in accordance with current regulations, which provides for insurance up to \$250,000. At times, balances in these accounts may exceed these federally insured limits. Cash equivalents are maintained at high-quality financial institutions. The Organization has not experienced any losses on its cash and cash equivalents.

Credit risk is the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. Management considers credit risk associated with receivables to be low due to the diversity of the donors and the recurring nature of many donations. Investments are subject to both credit and market risks. Market risk is the possibility that fluctuations in the investment market will impact the value of the portfolio. The Organization has an investment policy and utilizes management oversight, and periodically reviews its investment portfolios to monitor these risks.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Organization considers all highly liquid investments held at financial institutions with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the Statements of Financial Position.

Fair values of financial instruments are estimated using relevant market information and other assumptions. Fair value estimates involve uncertainties and matters of significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially in the absence of broad markets for particular instruments. Changes in assumptions or in market conditions could significantly affect the estimates. The carrying amount of all financial assets and liabilities approximates fair value.

Realized and unrealized gains and losses, interest, dividends, and investment fees arising from the period are included within net investment income, in the period in which they occur, in the accompany statements of activities. Investment income that is limited to specific uses by donor restrictions is reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period as the income is recognized.

Money market funds included in the investment portfolio are treated as cash equivalents on the statements of financial position as they are short-term highly liquid investments that are readily convertible.

Fair Value of Financial Instruments

The fair value of financial instruments is determined by reference to various market data and other valuation techniques, as appropriate. Unless otherwise disclosed, the fair value of financial instruments approximates their recorded values due primarily to the short-term nature of their maturities.

Receivables

Contribution's receivable are promises to give from various donors that are considered unconditional. Contribution's receivable primarily consists of pledges made during annual giving campaign appeals and are presented net of the allowance for doubtful accounts. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using risk free interest rates applicable to the years in which the promises are received. The interest rate used in computing the discount of the estimated future cash flows is 3% for pledges to future campaigns that were received in the fiscal years ended June 30, 2021 and 2020. The discount will be recognized as contribution revenue in future years as the discount is amortized over the duration of the contributions.

Contribution's receivable are considered past due when the pledge payment period has passed. An allowance is recorded for each campaign year based on management's evaluation of outstanding pledges. This estimation takes into consideration current economic factors applied to the gross campaign, historical trends, and past history with specific funding sources. Actual results could vary from the estimate. Once the likelihood of collecting receivables is determined to be remote, management writes off the specific account balance and relieves any related allowance. The allowance for uncollectible contributions receivable as of June 30, 2021 and 2020 amounted to \$2,107,878 and \$1,904,983, respectively.

Grants receivable at year end represent expenditures and/or units of service performed, which have not yet been reimbursed by the granting agency. Management analyzes, on an ongoing basis, outstanding accounts individually to determine if an allowance for doubtful accounts is required. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. Management determined that an allowance for doubtful accounts related to grants receivable was not deemed necessary as of June 30, 2021 and 2020.

UNITED WAY OF BROWARD COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

The Organization recognizes revenue based on the existence or absence of an exchange transaction. For transactions that represent nonreciprocal transfers and do not represent the sale of goods or services, the Organization applies *ASU 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. Under Accounting Standards Codification ("ASC") 958, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable.

For exchange transactions, the Organization applies Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Under ASC 606, revenue is recognized when a customer obtains control of promised goods or services in the amount that reflects consideration the entity is entitled to receive in exchange for those goods or services.

The Organization adopted Topic 606 on July 1, 2019 using the modified retrospective method. The modified retrospective adoption method requires the Organization to record a transition adjustment for the new revenue standard, if any, as a cumulative effect adjustment to beginning net assets as of the date of adoption. No adjustment to the Organization's beginning net assets were required as a result of adopting Topic 606.

Revenue from non-exchange transactions consist of the following:

Annual Campaign, Disaster Relief, Business Council on Homelessness Contribution, McKenzie Scott Contribution, Legacy and Bequest Contributions

The majority of the Organization's activities are supported by contributions from corporations, employers/employees of for-profit, non-profit, individuals, public and private foundations. Contributions are recorded within the statement of activities and changes in net assets as with or without donor restrictions. All contributions are considered to be available for unrestricted use and are recognized in the period the pledge is received, unless specifically restricted by a donor.

Donor restrictions are those in which the donor has designated the funds for future periods or for a specific purpose. Contributions with donor restrictions are not recognized until the conditions on which they depend have been substantially met. When a donor restriction expires, net assets with donor restrictions are reclassified as net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions expire during the same fiscal year are recognized as contributions without donor restrictions.

Contributions of assets other than cash are recorded at estimated fair value at the date of receipt. Donors typically pay promises to give within a 12-month period with the commencement date of payments varying among donors.

The Organization accepts cash or other financial assets from donors and agrees to transfer those assets to a specified qualified beneficiary, which, the Organization refers to as donor designations. The Organization, as an intermediary, recognizes the fair value of those assets as a liability to the specified beneficiary concurrent with the recognition of the assets received from the donor. Designations to specific not-for-profit organizations other than the Organization are reflected as annual campaign contributions raised during the year offset by the donor designations to arrive at net annual campaign contributions. Donor designations that were pledged for the years ended June 30, 2021 and 2020 are \$865,402 and \$1,632,100, respectively, and are not included in net revenues.

The Organization had one donor that represented approximately 31% and 28% of total annual campaign contributions presented in the accompanying statements of activities for the years ended June 30, 2021 and 2020, respectively.

Federal, State, and Private Grant Revenue

The Organization receives a significant portion of its revenues from government and private grant contracts to serve the public. The amounts received under these grants and contracts are designated for specific purposes by the granting agencies and conditional upon the incurrence of allowable qualifying expenses. Revenue is recognized when the Organization has incurred allowable qualifying expenses as defined by the individual grants and contracts satisfying the required conditions.

UNITED WAY OF BROWARD COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Grant Revenue Paycheck Protection Program (“PPP”)

The Organization has elected to account for the PPP funds in accordance with Financial Accounting Standards Board (“FASB”) ASC 958-606, *Not-for-Profit Entities Revenue Recognition*. Under this method, the Organization recognized the PPP funding amount as revenue (Grant Revenue – Paycheck Protection Program) during the years ended June 30, 2021 and 2020, as the related conditions were deemed substantially met by management. The Organization received formal forgiveness from the U.S. Small Business administration (“SBA”) in 2021 for the full amount of the loan. Refer to Footnote 13 for additional information.

Revenue from exchange transactions consist of the following:

Special Event Revenue

The Organization conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event—the exchange component, and a portion represents a contribution to the Organization. Unless a verifiable objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Organization. The contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. The direct costs of the special events, which ultimately benefit the donor rather than the Organization, are recorded as costs of direct donor benefits in the accompanying statements of activities and changes in net assets.

Beneficial Interests in Assets Held by Others

Beneficial interests in assets held by others represents investments in perpetual trusts held by the Community Foundation of Broward Inc., in the name of the Organization. As of June 30, 2021 and 2020, the fair value of these funds were \$1,300,841 and \$1,029,615, respectively; of these funds, \$1,000,627 is restricted in perpetuity. The net income of the funds is required to be distributed at least annually to the Organization and is to be used to support the operating activities of the Organization.

Land, Buildings and Equipment, Net

Land, buildings, equipment, and other property are recorded at cost at the date of purchase, or, if contributed, the fair value at the date of donation. Contributions of property with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions. The Organization capitalizes all expenditures for land, buildings, equipment, and other property in excess of \$5,000 and all expenditures for repairs, maintenance, renewals and betterments that materially prolong the useful lives of the related assets. When assets are sold or retired, the cost and related accumulated depreciation are removed from the accounts and a gain or loss, if any, is recognized. Repairs and maintenance are charged to expense as incurred. Depreciation is calculated using the straight-line method over the estimated useful lives of various classes of depreciable assets as follows:

Buildings	39 years
Building improvements	10 to 20 years
Furniture, equipment and software	5 years

The carrying value of long-lived assets is reviewed if the facts and circumstances, such as significant declines in revenues, earnings or cash flows or material adverse changes in the operating climate, indicate that they may be impaired.

If any impairment in the value of the long-lived assets is indicated, the carrying value of the long-lived assets is adjusted to reflect such impairment based on the fair value of the impaired assets or an estimate of fair value based on discounted cash flows. Management determined that there was no impairment of long-lived assets during the years ended June 30, 2021 and 2020.

UNITED WAY OF BROWARD COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Services

A substantial number of volunteers have donated significant amounts of their time to the Organization's fund-raising campaigns. The value of these services has not been reflected in the accompanying financial statements since the services do not require specialized skills, and hence, do not meet the criteria for recognition under U.S. GAAP.

Allocations to Agencies

Annually, the Board of Directors decides which not-for-profit agencies will receive funding from the Organization. The Board of Directors' decisions are based on an evaluation of the funding requests from the various agencies and the availability of net assets without donor restrictions. Once the Board of Directors has determined and approved the allocation amounts and the designated agencies, the liability and the related expense is recorded.

Donor Designations Payable

Donor designations payable at June 30, 2021 and 2020, are \$182,471 and \$287,240, respectively.

Partner agencies receiving designations from the Organization are charged an administrative fee based upon amounts received in accordance with United Way Worldwide guidelines. Administrative fees of up to 10% of the amounts designated, subject to certain limitations, are netted against donor designations.

Refundable Advances and Deferred Revenue

Monies received in advance that are not recognized because the conditions of release have not been substantially met or explicitly waived are considered refundable advances and are recorded as liabilities. In addition, monies received in advance from special events that are considered exchange transactions are deferred to the applicable period.

Deferred revenue for the year ended June 30, 2021 was \$268,646 and included within accounts payable and accrued expenses within the statement of financial position.

Allocations of Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and support services benefited. Expenses that can be directly identified with the program or supporting service are reported as expenses of those functional areas. Other expenses are allocated among program and supporting services based on a pro-rata estimate of utilization. Personnel expenses are allocated on the basis of estimated time and effort.

Income Taxes

The Organization is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and from state income taxes under similar provisions in the Florida Income Tax Code. Accordingly, no provision for federal or state income tax is required.

The Organization recognizes and measures tax positions based on their technical merit and assesses the likelihood that the positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. Interest and penalties on tax liabilities, if any, would be recorded in interest expense and other non-interest expense, respectively.

The U.S. Federal jurisdiction is the major tax jurisdiction where the Organization files income tax returns. The Organization is generally no longer subject to U.S. Federal examinations by tax authorities for years before 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements

Lease Accounting

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which amends existing lease guidance. The update requires lessees to recognize a right-of-use asset and related lease liability for many operating leases now currently off-balance sheet under current U.S. GAAP. Also, the FASB has issued amendments to the update with practical expedients related to land easements, lessor accounting, and disclosures related to accounting changes and error corrections.

The update originally required transition to the new lease guidance using a modified retrospective approach which would reflect the application of the update as of the beginning of the earliest comparative period presented. A subsequent amendment to the update provides an optional transition method that allows entities to initially apply the new lease guidance with a cumulative-effect adjustment to the opening balance of equity in the period of adoption. If this optional transition method is elected, after the adoption of the new lease guidance, the Organization's presentation of comparative periods in the financial statements will continue to be in accordance with current lease accounting guidance. The Organization is evaluating the method of adoption it will elect. The update is effective for fiscal years beginning after December 15, 2021, and for interim periods within fiscal years beginning after December 15, 2022, with early application permitted. The Organization is currently evaluating the effect the update will have on its financial statements.

Contributed Nonfinancial Assets

In September 2020, the FASB issued ASU 2020-07, *Not-For-Profit-Entities (Topic 958): Presentation and Disclosures by Not-For-Profit-Entities for Contributed Nonfinancial Assets*. This ASU amends guidance for not-for-profit entities that receive contributed nonfinancial assets. The update requires not-for-profits to present contributed nonfinancial assets as a separate line item in the statement of activities, and to disclose information regarding each type of contributed nonfinancial asset. The update is to be applied on a retrospective basis and is effective for annual reporting periods beginning after June 15, 2021, and for interim reporting periods beginning after June 15, 2022. The Organization is currently evaluating the effect the update will have on its financial statements.

Reclassifications

Certain items in the 2020 financial statements were reclassified to conform to the 2021 financial statements. There was no impact on change in net assets as a result of these reclassifications.

Subsequent Events

The Organization has evaluated events subsequent to June 30, 2021, which is the date the financial statements were available to be issued. No material events have occurred through December 10, 2021, that require recognition or disclosure in the financial statements.

3. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization maintains an informal policy of structuring its financial assets to be available as general expenditures, liabilities and other obligations come due. The Organization engages qualified third party investment advisors to invest excess cash net of working capital in instruments as stipulated under the Investment Policy. The policy is reviewed annually by the Finance Committee. Market performance is monitored continuously including review of quarterly reports and watch list of invested funds. Furthermore, the Executive Committee as well as the Board of Directors review the statements of financial position and statements of activities results periodically.

In managing its liquidity needs in accordance with policies established by the Board, the Organization's investment managers invest largely in mutual funds, equities and fixed income securities which are considered highly liquid as there are no preventative lockups or restrictions and can be readily liquidated to cover operating needs.

UNITED WAY OF BROWARD COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

3. LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)

The Organization's financial assets available within one year of the statement of financial position date for general expenditures as of June 30 are as follows:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,629,428	\$ 3,592,065
Investments	26,010,604	4,284,993
Contributions receivable, net	4,160,667	3,869,358
Grants receivable and other receivables	1,031,401	1,141,152
Beneficial interest in assets held by others	1,300,841	1,029,615
Total financial assets	<u>34,132,941</u>	<u>13,917,183</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	3,418,937	4,299,288
Less net assets with purpose restrictions estimated to be met in less than one year	<u>(1,797,839)</u>	<u>(3,017,312)</u>
Total financial assets not available to be used within one year	1,621,098	1,281,976
Financial assets available to meet general expenditures within one year	<u>\$ 32,511,843</u>	<u>\$ 12,635,207</u>

4. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The FASB ASC 820, *Fair Value Measurements and Disclosures* 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 as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
- Level 2 Inputs to the valuation methodology include:
 - quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from 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 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 should maximize the use of observable inputs and minimize the use of unobservable inputs.

UNITED WAY OF BROWARD COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

4. INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2021 and 2020.

Equity securities: Quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Debt securities: Quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Beneficial interests in assets held by others: Fair value is derived principally from inputs that are not observable. The Organization calculates the investment value using its respective interest in the pooled funds.

The methods 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, the use of different methodologies and assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables sets forth by level, within the fair value hierarchy, the Organization's investments at fair value excluding cash and cash equivalents included within in investment balances as of June 30, 2021 and 2020:

Fair Value Measurements at June 30, 2021				
Description	June 30, 2021	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Equity securities	\$ 10,551,756	\$ 10,551,756	\$ -	\$ -
Debt securities	15,458,848	15,458,848	-	-
	\$ 26,010,604	\$ 26,010,604	\$ -	\$ -
Beneficial interest in assets held by others	\$ 1,300,841	\$ -	\$ -	\$ 1,300,841

Fair Value Measurements at June 30, 2020				
Description	June 30, 2020	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Equity securities	\$ 2,503,577	\$ 2,503,577	\$ -	\$ -
Debt securities	1,781,416	1,781,416	-	-
	\$ 4,284,993	\$ 4,284,993	\$ -	\$ -
Beneficial interest in assets held by others	\$ 1,029,615	\$ -	\$ -	\$ 1,029,615

UNITED WAY OF BROWARD COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

4. INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The following tables present additional information about Level 3 assets measured at fair value. Both observable and unobservable inputs may be used to determine the fair value of positions that the Organization has classified within the Level 3 category. As a result, the gains and losses for assets within the Level 3 category may include changes in fair value that were attributable to both observable (e.g., changes in market interest rates) and unobservable (e.g., changes in unobservable long-dated volatilities) inputs. Changes in Level 3 assets measured at fair value for the years ended June 30, 2021 and 2020 are as follows:

Fair Value Measurements at June 30, 2021					
	Beginning Balance	Investment Fees	Investment Earnings	Amount Appropriated for Expenditures	Total
Beneficial interest in assets held by others	\$ 1,029,615	\$ (17,442)	\$ 342,851	\$ (54,183)	\$ 1,300,841

Fair Value Measurements at June 30, 2020					
	Beginning Balance	Investment Fees	Investment Earnings	Amount Appropriated for Expenditures	Total
Beneficial interest in assets held by others	\$ 1,097,839	\$ (15,657)	\$ 2,970	\$ (55,537)	\$ 1,029,615

Investment income for the years ended June 30 are as follows:

Year Ended June 30, 2021			
	Without Donor Restrictions	With Donor Restrictions	Total
Interest, dividends and realized income	\$ 384,832	\$ -	\$ 384,832
Net unrealized gain	1,206,776	325,409	1,532,185
Total investment income	\$ 1,591,608	\$ 325,409	\$ 1,917,017

Year Ended June 30, 2020			
	Without Donor Restrictions	With Donor Restrictions	Total
Interest, dividends and realized income	\$ 143,098	\$ -	\$ 143,098
Net unrealized loss	(99,936)	(12,687)	(112,623)
Total investment income	\$ 43,162	\$ (12,687)	\$ 30,475

UNITED WAY OF BROWARD COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

5. CONTRIBUTIONS RECEIVABLE, NET

Contributions receivable, net at June 30 are as follows:

	<u>2021</u>	<u>2020</u>
Contributions receivable due in less than one year	\$ 6,095,084	\$ 5,557,389
Contributions receivable due in one to five years	185,000	235,000
Total contributions receivable	6,280,084	5,792,389
Unamortized discount	(11,539)	(18,048)
Allowance for uncollectible contributions receivable	(2,107,878)	(1,904,983)
Total contributions receivable, net	4,160,667	3,869,358
Less: contributions receivable - non-current	(173,461)	(216,952)
Contributions receivable - current portion	<u>\$ 3,987,206</u>	<u>\$ 3,652,406</u>

6. LAND, BUILDINGS AND EQUIPMENT, NET

Land, buildings and equipment, net, consisted of the following at June 30:

	<u>2021</u>	<u>2020</u>
Land	\$ 58,500	\$ 58,500
Buildings and improvements	2,798,790	2,798,790
Furniture, equipment and software	1,858,519	1,858,519
	4,715,809	4,715,809
Less accumulated depreciation	(3,569,157)	(3,437,114)
	<u>\$ 1,146,652</u>	<u>\$ 1,278,695</u>

Depreciation expense was \$132,043 and \$158,946 for the years ended June 30, 2021 and 2020, respectively.

7. ENDOWMENT

The Organization's endowment consists of funds established for a variety of purposes related to the Organization's mission and programs. As required by U.S. GAAP, net assets associated with endowment funds, including quasi-endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The State of Florida adopted the Florida Uniform Prudent Management of Institutional Funds Act ("FUPMIFA"). The Organization has interpreted the FUPMIFA as requiring 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. As a result of this interpretation, the Organization classifies perpetual gifts as net assets with donor restrictions: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund not held in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by FUPMIFA.

UNITED WAY OF BROWARD COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

7. ENDOWMENT (CONTINUED)

Also included in net assets with donor restrictions is accumulated appreciation on donor restricted endowment funds which are available for expenditure in a manner consistent with the standard of prudence prescribed by the FUPMIFA, and deficiencies associated with funds where the value of the fund has fallen below the original value of the gift.

The beneficial interests in assets held by the Community Foundation of Broward, Inc. represents the Organization's endowment assets. The assets are invested by the Community Foundation of Broward, Inc. in accordance with the investment policy and strategy of the Community Foundation of Broward, Inc. The Community Foundation of Broward, Inc. evaluates the spending rate periodically in light of the estimated long-term results from investments, fees, expenses and the effects of inflation.

As of June 30, 2021 and 2020, endowment net assets consist of the following:

Summary of Endowment Assets at June 30, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Original donor restricted gifts in perpetuity	\$ -	\$ 1,000,627	\$ 1,000,627
Accumulated earnings	-	300,214	300,214
Total endowment net assets	\$ -	\$ 1,300,841	\$ 1,300,841

Summary of Endowment Assets at June 30, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Original donor restricted gifts in perpetuity	\$ -	\$ 1,000,627	\$ 1,000,627
Accumulated earnings	-	28,988	28,988
Total endowment net assets	\$ -	\$ 1,029,615	\$ 1,029,615

Changes to endowment net assets for the years ended June 30, 2021 and 2020 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2020	\$ -	\$ 1,029,615	\$ 1,029,615
Realized and unrealized gains	-	342,851	342,851
Investment fees	-	(17,442)	(17,442)
Appropriated for expenditures	-	(54,183)	(54,183)
Endowment net assets, June 30, 2021	\$ -	\$ 1,300,841	\$ 1,300,841

UNITED WAY OF BROWARD COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

7. ENDOWMENT (CONTINUED)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, June 30, 2019	\$ -	\$ 1,097,839	\$ 1,097,839
Realized and unrealized gains	-	2,970	2,970
Investment fees	-	(15,657)	(15,657)
Appropriated for expenditures	-	(55,537)	(55,537)
Endowment net assets, June 30, 2020	<u>\$ -</u>	<u>\$ 1,029,615</u>	<u>\$ 1,029,615</u>

Summary of Endowment Assets:

As of June 30, 2021 and 2020, respectively, endowment assets are invested as follows:

	<u>2021</u>	<u>2020</u>
Beneficial interest in assets held by others	<u>\$ 1,300,841</u>	<u>\$ 1,029,615</u>

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies for the years ended June 30, 2021 and 2020.

Return Objectives, Risk Parameters, Strategies Employed for Achieving Objectives

The beneficial interests in assets held by the Community Foundation of Broward, Inc. are invested in accordance with the Community Foundation of Broward, Inc. investment policy. The Community Foundation of Broward, Inc. pools a number of funds in order to obtain greater investment advantage and more efficient administration. The objective of investment management of all funds is to maximize the growth consistent with minimizing exposure to risks of capital losses. The Community Foundation of Broward, Inc.'s investment policy is to invest initial contributions and subsequent additions to all pooled funds in equity, fixed income and other assets based on an allocation determined by the Investment Committee and approved by the Board of Directors.

Spending Policy

In accordance with the donor's requirements, the Community Foundation of Broward, Inc. appropriates for distribution to the Organization each year up to five percent of the endowment fund's average fair value over the prior thirty six months through the calendar year-end preceding the fiscal year in which the distribution is planned.

UNITED WAY OF BROWARD COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

8. NET ASSETS

Net assets without donor restrictions are used to support the operating activities of the Organization. Net assets with donor restrictions consist of the following as of June 30:

	<u>2021</u>	<u>2020</u>
Disaster relief and COVID-19	\$ 962,599	\$ 2,024,483
Business council on homelessness	835,240	992,829
Accumulated earnings on endowment	300,214	28,988
Restricted for future periods	320,257	252,361
	<u>2,418,310</u>	<u>3,298,661</u>
Restricted endowment in perpetuity (Note 7)	1,000,627	1,000,627
	<u>\$ 3,418,937</u>	<u>\$ 4,299,288</u>

During the years ended June 30, 2021 and 2020, net assets released from restrictions due to satisfaction of time and purpose for all of the Organization's general programs amounted to \$1,987,781 and \$1,779,667, respectively.

9. ANNUAL DUES FOR NATIONAL AND STATE AFFILIATIONS

The Organization provides funding to the State and National United Way organizations to finance programs of research, education and community services. Membership support is used to provide National Academy for Volunteerism training and conferencing, career development, advertising, market research, campaign assistance, National Corporate Leadership and National Football League relationships, executive search, Alexis de Tocqueville Society enrollments, product and service discounts, and consultation and technical assistance.

Payments for the years ended June 30, 2021 and 2020 are based upon the reported gross campaign contributions as follows:

	<u>2021</u>	<u>2020</u>
State organization	\$ 45,525	\$ 38,723
National organization	311,185	202,872
	<u>\$ 356,710</u>	<u>\$ 241,595</u>

10. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Organization has received grants which are subject to audit by agents of the relevant funding authority, the purpose of which is to ensure compliance with conditions precedent to providing such funds. Management of the Organization believes that all of the grant expenditures are properly recorded and that the liability, if any, for any reimbursement which may arise as the result of audits would not be significant.

11. EMPLOYEE RETIREMENT PLAN

The Organization offers a defined contribution retirement plan covering all regular employees over the age of 21 and having at least three months of service. Employer contributions for the years ended June 30, 2021 and 2020, amounted to approximately \$70,000 and \$64,000, respectively.

UNITED WAY OF BROWARD COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

11. EMPLOYEE RETIREMENT PLAN (CONTINUED)

Participant's contributions and actual earnings or losses thereon are immediately vested. Vesting in the employer's contributions plus actual earnings or losses thereon is based on years of continuous service. A participant is 100% vested after six years of service from the date that the employee is eligible to participate in the plan.

Service with other United Way organizations may be considered when determining years of service in accordance with the plan documents. Upon termination of employment, a participant's non-vested amounts are forfeited in accordance with the plan document and will be considered an employer contribution during the year of forfeiture. Upon death, total disability or retirement, participants become 100% vested in their employer contributions.

12. MACKENZIE SCOTT CONTRIBUTION

In December 2020, the Organization received a \$20 million gift from philanthropist, MacKenzie Scott. The gift was unrestricted and there were no requirements or conditions about how or when the money could be spent. Accordingly, the gift was included as revenue under the caption MacKenzie Scott contribution for the year ended June 30, 2021.

The Organization will be investing these funds in various initiatives to improve the lives of residents in Broward County. The most significant need, according to the latest ALICE (Asset, Limited, Income, Constrained, Employed) report, is for more available affordable housing. Working with other private and governmental funding agencies, property owners and developers, the plan is to increase the availability of affordable housing for working families. Additional funding will also be provided to support programs for health, education and financial prosperity over the next few years.

13. PAYCHECK PROTECTION PROGRAM

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus origination in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Organization's financial condition, liquidity, and future results of Operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Organization is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition or liquidity for the fiscal year 2021.

On March 27, 2020, President Trump signed into law the "Coronavirus Aid, Relief, and Economic Security (CARES) Act." The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitably contributions, and technical corrections to tax depreciation methods for qualified improvement property. It also appropriated funds for the SBA Paycheck Protection Program loans that are forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by COVID-19.

On May 2020, due to the events discussed above, through a local financial institution, the Organization applied for and received a PPP loan for approximately \$862,000 from the SBA. The loan accrues interest at a fixed rate of 1% and has a maturity date of two years, with payments deferred for a period of six months. The application for these funds required the Organization to, in good faith, certify that the current economic uncertainty made the loan request necessary to support ongoing operations. This certification further requires the Organization to take into account its current business activity and ability to access other sources of liquidity sufficient to support ongoing operations in a manner that is not significantly detrimental to the business.

13. PAYCHECK PROTECTION PROGRAM (CONTINUED)

The Organization has elected to account for the PPP funds in accordance with FASB's ASC 958-606, Not-for-Profit Entities Revenue Recognition. Under the PPP, loan funds are eligible for forgiveness to the extent that they are used to cover certain payroll, rent, and utility costs and if the Organization retains employees during a specified period. The receipt of these funds, and the forgiveness of the loan attendant to these funds, is dependent on the Organization having initially qualified for the loan and qualifying for the forgiveness of such loan based on the Organization's future adherence to the forgiveness criteria. The Organization has accounted for the full balance of the PPP funds as grant income in accordance with ASC 405-605, as the allowable costs of the specific loan forgiveness provisions were incurred and is included within the caption "grants and contract revenue" on the accompanying consolidated statement of activity for the year ended December 31, 2020. The Organization has not accrued any liability associated with the risk of an adverse SBA review.

During year ended June 30, 2020, the Organization recognized approximately \$460,000 in Paycheck Protection Program revenue as the related conditions were deemed substantially met by management, with approximately \$402,000 remaining as a liability. During the year ended June 30, 2021, the Organization recognized the remaining PPP funds of approximately \$402,000 as revenue within the statement of activities.

On July 12, 2021, the Organization received full forgiveness on the PPP loan.

SUPPLEMENTARY INFORMATION

UNITED WAY OF BROWARD COUNTY, INC.

**BROWARD BEHAVIORAL HEALTH COALITION SCHEDULE OF STATE EARNINGS
FOR THE YEAR ENDED JUNE 30, 2021**

1	Total Expenditures	\$	3,222,115
2	Less Other State & Federal Funds		-
3	Less Non-Match SAMH Funds		(2,231,626)
4	Less Unallowable Costs per 65E-14, F.A.C.		<u>-</u>
5	Total Allowable and Unallowable Expenditures (Sum of Lines 1,2,3 and 4)		990,489
6	Maximum Available Earnings (Line 5 times 75%)		742,867
7	Amount of State Funds Requiring Match		<u>238,186</u>
8	Amount of Maximum Available (Earnings In Excess Of) State Funds Received	\$	<u>504,681</u>

UNITED WAY OF BROWARD COUNTY, INC.

**BROWARD BEHAVIORAL HEALTH COALITION SCHEDULE OF RELATED PARTY TRANSACTION ADJUSTMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Revenue from Grantee	Related Party	Allocation of Related Party Transactions Adjustment				
		State Designated Covered Services				Total
		1	2	3	...	
Rent						
Services						
Interest						
Other						
Total Revenue from Grantee		\$ -	\$ -	\$ -	\$ -	\$ -
Expenses Associated with Grantee Transactions						
Personnel Services						
Depreciation						
Interest						
Other						
Total Associated Expenses		\$ -	\$ -	\$ -	\$ -	\$ -
Related Party Transactions Adjustments		\$ -	\$ -	\$ -	\$ -	\$ -

UNITED WAY OF BROWARD COUNTY, INC.

**BROWARD BEHAVIORAL HEALTH COALITION COVERED SERVICES OPERATING AND CAPITAL EXPENDITURES (ACTUAL EXPENSES & REVENUES SCHEDULE)
FOR THE YEAR ENDED JUNE 30, 2021**

FUNDING SOURCES & REVENUES	State SAMH-Designated and Funded Cost Centers						Total for State SAMH-Funded Cost Center	Total for All State-Designated SAMH Cost Center	Total Funding
	Outreach	Information & Referral	Prevention - Selective	Prevention - Universal Direct	Prevention - Universal Indirect	Federal Project Grant			
IA. STATE SAMH FUNDING									
1 Services Revenue	\$ -	\$ 329,667	\$ 352,377	\$ 2,165,531	\$ 340,066	\$ 15,600	\$ 3,203,241	\$ 3,203,241	\$ 3,203,241
TOTAL STATE SAMH	\$ -	\$ 329,667	\$ 352,377	\$ 2,165,531	\$ 340,066	\$ 15,600	\$ 3,203,241	\$ 3,203,241	\$ 3,203,241
IB. OTHER GOVERNMENT FUNDING									
1 Other State Agency Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2 Medicaid	-	-	-	-	-	-	-	-	-
3 Local Government	-	-	-	-	-	-	-	-	-
4 Federal Grants and Other Contracts	-	-	-	-	-	-	-	-	-
5 In-Kind From Local Government Only	-	-	-	-	-	-	-	-	-
TOTAL OTHER GOVERNMENT FUNDING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IC. ALL OTHER REVENUE									
1 1st and 2nd Party Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2 3rd Party Payments (Except Medicare)	-	-	-	-	-	-	-	-	-
3 Medicare	-	-	-	-	-	-	-	-	-
4 Contributions and Donations	-	1,510	1,712	22,206	-	-	25,428	25,428	25,428
5 Other	-	-	-	-	-	-	-	-	-
6 In-kind	-	-	-	-	-	-	-	-	-
TOTAL ALL OTHER REVENUE	\$ -	\$ 1,510	\$ 1,712	\$ 22,206	\$ -	\$ -	\$ 25,428	\$ 25,428	\$ 25,428
TOTAL FUNDING	\$ -	\$ 331,177	\$ 354,089	\$ 2,187,737	\$ 340,066	\$ 15,600	\$ 3,228,669	\$ 3,228,669	\$ 3,228,669

UNITED WAY OF BROWARD COUNTY, INC.

**BROWARD BEHAVIORAL HEALTH COALITION COVERED SERVICES OPERATING AND CAPITAL EXPENDITURES (ACTUAL EXPENSES & REVENUES SCHEDULE) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

EXPENSE CATEGORY	Outreach	Information & Referral	Prevention - Selective	Prevention - Universal Direct	Prevention - Universal Indirect	Federal Project Grant	Total for state SAMH-Funded	Indirect Costs	Total Expenses
I. PERSONNEL EXPENSES									
Salaries	\$ -	\$ 25,073	\$ 28,432	\$ 368,791	\$ -	\$ -	\$ 422,296	\$ 186,049	\$ 608,345
Fringe Benefits	-	4,101	4,651	60,321	-	-	69,073	30,431	99,504
	-	29,174	33,083	429,112	-	-	491,369	216,480	707,849
II. EXPENSES									
Building Occupancy		103	117	1,515	-	-	1,735	765	2,500
Professional Services		1,174	1,332	17,271	-	-	19,777	8,713	28,490
Travel		106	120	1,560	-	-	1,786	787	2,573
Equipment		53	60	782	-	-	895	394	1,289
Subcontracted Services		278,784	294,677	1,417,111	-	15,600	2,006,172	-	2,006,172
Insurance		334	379	4,910	-	-	5,623	2,477	8,100
Operating Supplies & Expenses		4,863	5,514	71,528	-	-	81,905	36,084	117,989
Other Expense		-	-	-	347,153	-	347,153	-	347,153
Total Expenses	-	285,417	302,199	1,514,677	347,153	15,600	2,465,046	49,220	2,514,266
Total Personnel & Expenses	\$ -	\$ 314,591	\$ 335,282	\$ 1,943,789	\$ 347,153	\$ 15,600	\$ 2,956,415	\$ 265,700	\$ 3,222,115
III. DISTRIBUTED COSTS									
Administration	-	15,775	17,889	232,036	-	-	265,700	(265,700)	-
TOTAL DISTR'D INDIRECT COSTS	-	15,775	17,889	232,036	-	-	265,700	(265,700)	-
TOTAL ACTUAL OPER. COSTS	\$ -	\$ 330,366	\$ 353,171	\$ 2,175,825	\$ 347,153	\$ 15,600	\$ 3,222,115	\$ -	\$ 3,222,115
IV. UNALLOWABLE COSTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ACTUAL TOTAL OPER. EXP.	\$ -	\$ 330,366	\$ 353,171	\$ 2,175,825	\$ 347,153	\$ 15,600	\$ 3,222,115	\$ -	\$ 3,222,115

UNITED WAY OF BROWARD COUNTY, INC.

BROWARD BEHAVIORAL HEALTH COALITION SCHEDULE OF BED-DAY AVAILABILITY PAYMENT
FOR THE YEAR ENDED JUNE 30, 2021

Program	Covered Service	Avg. State Contracted Rate	Total Units of Service Provided	Total Units of Service Paid for/by 3rd Party Contracts, Local Govt. or Other State Agencies	Maximum # of Units Eligible for Payment by Department	Amount Paid for Services by the Department	Maximum \$ Value of Units in Column F	Amount Owed to Department
<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>	<i>F = D - E</i>	<i>G</i>	<i>H = F x C</i>	<i>I = G-H or \$0, whichever is greater</i>
Mental Health	Crisis Stabilization Unit	-	-	-	-	-	-	-
Substance Abuse	Crisis Stabilization Unit	-	-	-	-	-	-	-
Mental Health	Substance Abuse Detox	-	-	-	-	-	-	-
Total Amount Owed to Department								-

UNITED WAY OF BROWARD COUNTY, INC.

NOTES TO SCHEDULES OF BROWARD BEHAVIORAL HEALTH COALITION
STATE EARNINGS AND PROGRAM/COVERED SERVICES ACTUAL EXPENSES AND REVENUES
FOR THE YEAR ENDED JUNE 30, 2021

1. BASIS OF PRESENTATION

The Schedules of State Earnings and Program/Covered Services Actual Expenses and Revenues were prepared in accordance with the requirements of Chapter 65E-14 of the *Florida Administrative Code* as mandated by Broward Behavioral Health no. 34374-20 for the year ended June 30, 2021.

2. BASIS OF ACCOUNTING

The accompanying Schedules of State Earnings and Program/Covered Services Actual Expenses and Revenues were presented on the accrual basis of accounting.

SINGLE AUDIT REPORTS



Tel: 954-989-7462
Fax: 954-962-1021
www.bdo.com

515 E Las Olas Blvd, 5th Floor
Fort Lauderdale, FL 33301

Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on An Audit of Financial Statements Performed In Accordance with Government Auditing Standards

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

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 United Way of Broward County, Inc. (the “Organization”), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 10, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization’s internal control over financial reporting (internal control) as a basis for designing 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 the Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatement 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 preceding paragraph 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 considered to be material weaknesses. However, a material weakness may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Fort Lauderdale, Florida
December 10, 2021

BDO USA, LLP
Certified Public Accountants



Tel: 954-989-7462
Fax: 954-962-1021
www.bdo.com

515 E Las Olas Blvd, 5th Floor
Fort Lauderdale, FL 33301

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by The Uniform Guidance

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

Opinion on Compliance for Each Major Federal Program

We have audited the United Way of Broward County, Inc.'s (the "Organization") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2021.

The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the Organization's compliance with the types of compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the types of compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the types of compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the Certified Public Accountant judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of the federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the types of compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

The Certified Public Accountant is required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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



Report on Internal Control Over Compliance (continued)

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Fort Lauderdale, Florida
December 10, 2021

BDO USA, LLP
Certified Public Accountant

UNITED WAY OF BROWARD COUNTY, INC.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

<u>Federal Grantor, Pass-through Grantor, Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Contract/ Grant Number</u>	<u>Passed Through to Subrecipients</u>	<u>Expenditures</u>
U.S. DEPARTMENT OF JUSTICE:				
Pass-through State of Florida Department of Legal Affairs:				
Antiterrorism Emergency Reserve	16.321	K04886	\$ -	\$ 143,321
Total U.S. Department of Justice			<u>-</u>	<u>143,321</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Pass-through State of Florida Department of Children and Families:				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	5H79SP022024-04	-	6,291
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	6H79SM081496-02M001 5H79SM081496-03	-	129,416
Pass-through Broward Behavioral Health Coalition, Inc:				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	34374-20	<u>30,518</u>	<u>56,637</u>
Total Substance Abuse and Mental Health Services Projects of Regional and National Significance			<u>30,518</u>	<u>192,344</u>
Pass-through Broward Behavioral Health Coalition, Inc:				
Block Grants for Community Mental Health Services	93.958	34374-20	80,000	427,505
Block Grants for Prevention and Treatment of Substance Abuse	93.959	34374-20	1,554,402	2,310,901
Opioid STR	93.788	34374-20	<u>186,683</u>	<u>324,865</u>
Total U.S. Department of Health and Human Services			<u>1,851,603</u>	<u>3,255,615</u>
U.S. DEPARTMENT OF THE TREASURY:				
COVID-19 Coronavirus Relief Fund	21.019	34374-20	<u>83,334</u>	<u>83,334</u>
Total U.S. Department of the Treasury			<u>83,334</u>	<u>83,334</u>
U.S. DEPARTMENT OF VETERAN AFFAIRS:				
VA Homeless Providers Grant and Per Diem Program	64.024	UWBC402-0734-546-TP-19 UWBC402-1612-546-TP-21	-	616,965
VA Supportive Services for Veteran Families Program	64.033	14-FL-181	<u>-</u>	<u>3,416,821</u>
Total U.S. Department of Veteran Affairs			<u>-</u>	<u>4,033,786</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,934,937</u>	<u>\$ 7,516,056</u>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

UNITED WAY OF BROWARD COUNTY, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS JUNE 30, 2021

1. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of United Way of Broward County, Inc. (the "Organization") and is presented using the accrual basis of accounting. Federal award expenditures are recognized following cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), wherein certain types of expenditures may differ from certain financial reports submitted on either a cash or modified accrual basis of accounting. Because this schedule presents only a select portion of the operations of the Organization, it is not intended to and does not present the financial position, changes to its net assets, or cash flows of the Organization.

2. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards is presented in accordance with the requirements of the Uniform Guidance. The federal awards on the Schedule of Expenditures of Federal Awards are included in the accompanying statements of activities.

3. SUB RECIPIENTS

The following awards were received by the Organization and passed through to sub recipients during the year ended June 30, 2021:

<u>Department</u>	<u>Program</u>	<u>CFDA Number</u>	<u>Expenditures</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	\$ 30,518
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	Block Grants for Community Mental Health Services	93.958	80,000
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	Block Grants for Prevention and Treatment of Substance Abuse	93.959	1,554,402
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	Opioid State Targeted Response	93.788	186,683
U.S. DEPARTMENT OF THE TREASURY	COVID-19 Coronavirus Relief Fund	21.019	<u>83,334</u>
Total			<u>\$ 1,934,937</u>

4. INDIRECT COST RATE

The Organization has elected to use the de minimis cost rate of 10% allowed under the Uniform Guidance during the year ended June 30, 2021.

UNITED WAY OF BROWARD COUNTY, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified		
Internal control over financial reporting:			
Material weakness(es) identified?	_____ Yes	<u> X </u> No	
Significant deficiencies identified that are not considered to be material weaknesses?	_____ Yes	<u> X </u> None reported	
Noncompliance material to financial statements noted?	_____ Yes	<u> X </u> No	

Federal Programs

Internal control over major programs:			
Material weakness(es) identified?	_____ Yes	<u> X </u> No	
Significant deficiencies identified that are not considered to be material weaknesses?	_____ Yes	<u> X </u> None reported	
Type of auditor's report issued on compliance for major programs:	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)	_____ Yes	<u> X </u> No	

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.958	Block Grants for Community Mental Health Services
93.959	Block Grants for Prevention and Treatment of Substance Abuse

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000	
Auditee qualified as low-risk auditee?	<u> X </u> Yes	_____ No

UNITED WAY OF BROWARD COUNTY, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

SECTION II – FINANCIAL STATEMENT FINDINGS

CURRENT YEAR FINDINGS

None

PRIOR YEAR FINDINGS

None

SECTION III – MAJOR FEDERAL PROGRAM FINDINGS AND QUESTIONED COSTS

CURRENT YEAR FINDINGS

None

PRIOR YEAR FINDINGS

None