UNITED WAY OF BROWARD COUNTY, INC.

FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of United Way of Broward County, Inc. (the "Organization"), which comprise the statements of financial position as of June 30, 2019 and 2018, 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 audits 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 the Organization as of June 30, 2019 and 2018, 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.

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Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, is required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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 Schedule of Expenditures of Federal Awards 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 20, 2019, 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.

Morrison, Brown, Argiz & Farra
Fort Lauderdale, Florida
November 20, 2019

UNITED WAY OF BROWARD COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION
JUNE 30,

ASSETS	2019	2018
CURRENT ASSETS		
Cash and cash equivalents	$ 1,947,711	$ 776,421
Investments	3,473,314	4,266,901
Contributions receivable, net - current portion	4,012,856	3,468,845
Grants receivable and other receivables	2,232,698	890,288
Prepaid expenses and other assets	109,729	123,679
TOTAL CURRENT ASSETS	11,776,308	9,526,134
Contributions receivable - net of current portion	259,823	304,552
Land, buildings and equipment, net	1,349,907	1,402,357
Beneficial interest in assets held by others	1,097,839	1,132,108
TOTAL ASSETS	**$ 14,483,877**	**$ 12,365,151**

LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 2,058,698	$ 1,126,513
Approved allocations payable	5,576,102	5,701,217
Donor designations payable	366,903	354,021
TOTAL CURRENT LIABILITIES	8,001,703	7,181,751
NET ASSETS		
Without donor restrictions	3,644,174	3,255,199
With donor restrictions	2,838,000	1,928,201
TOTAL NET ASSETS	6,482,174	5,183,400
TOTAL LIABILITIES AND NET ASSETS	**$ 14,483,877**	**$ 12,365,151**

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,

	2019			2018		
	Without donor restrictions	**With donor restrictions**	**Total**	**Without donor restrictions**	**With donor restrictions**	**Total**
REVENUES						
Annual campaign contributions	$ 12,330,568	$ -	$ 12,330,568	$ 11,776,617	$ 35,000	$ 11,811,617
Less: donor designations	(1,667,213)	-	(1,667,213)	(1,688,728)	-	(1,688,728)
Less: provision for uncollectible pledges	(1,257,550)	-	(1,257,550)	(815,527)	-	(815,527)
Net annual campaign contributions	9,405,805	-	9,405,805	9,272,362	35,000	9,307,362
Business council on homelessness contributions	-	1,668,467	1,668,467	-	-	-
Legacies and bequests	36,530	-	36,530	175,881	-	175,881
Program rental income	14,601	-	14,601	-	-	-
Federal, state and private grants	8,921,492	7,500	8,928,992	5,823,723	-	5,823,723
Net investment income	206,415	21,110	227,525	290,641	61,276	351,917
Disaster relief revenue	-	53,685	53,685	760,824	363,851	1,124,675
Special events, net	493,710	-	493,710	220,315	-	220,315
Net assets released from restrictions	840,963	(840,963)	-	171,040	(171,040)	-
TOTAL REVENUES	19,919,516	909,799	20,829,315	16,714,786	289,087	17,003,873
EXPENSES						
Allocations and contracted program services:						
Funds allocated to member agencies	4,810,170	-	4,810,170	4,912,232	-	4,912,232
Contracted program services	8,274,052	-	8,274,052	5,481,339	-	5,481,339
Functional expenses:						
Program services	3,632,774	-	3,632,774	3,015,834	-	3,015,834
Support services:						
Donor relations	1,919,420	-	1,919,420	1,881,824	-	1,881,824
Management and general	894,125	-	894,125	882,306	-	882,306
TOTAL EXPENSES	19,530,541	-	19,530,541	16,173,535	-	16,173,535
CHANGES IN NET ASSETS	388,975	909,799	1,298,774	541,251	289,087	830,338
NET ASSETS AT BEGINNING OF YEAR	3,255,199	1,928,201	5,183,400	2,713,948	1,639,114	4,353,062
NET ASSETS AT END OF YEAR	**$ 3,644,174**	**$ 2,838,000**	**$ 6,482,174**	**$ 3,255,199**	**$ 1,928,201**	**$ 5,183,400**

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, 2019

	Program Services	Supporting Services: Donor Relations	Supporting Services: Management and General	Total
ALLOCATIONS AND CONTRACTED PROGRAM SERVICES:				
Funds allocated to member agencies	$ 4,810,170	$ -	$ -	$ 4,810,170
Contracted program services	8,274,052	-	-	8,274,052
	13,084,222	-	-	13,084,222
FUNCTIONAL EXPENSES:				
Salaries and related expenses				
Salaries and wages	2,409,686	1,165,655	576,945	4,152,286
Employee benefits and payroll taxes	412,634	228,833	117,090	758,557
Total salaries and related expenses	2,822,320	1,394,488	694,035	4,910,843
Professional fees	98,944	57,439	32,983	189,366
Conferences and outreach events	94,073	17,367	18,184	129,624
National and state affiliations	174,383	48,540	24,025	246,948
Advertising and awareness	70,789	100,575	9,619	180,983
Equipment rental and maintenance	44,248	11,488	5,253	60,989
Printing and publications	4,251	135,580	1,578	141,409
Occupancy	80,207	35,566	29,638	145,411
Insurance	49,069	18,465	9,139	76,673
Supplies	29,924	9,981	9,774	49,679
Telephone	34,283	15,630	7,736	57,649
Travel	46,234	17,043	3,771	67,048
Postage and shipping	4,763	4,081	2,135	10,979
Other expenses	2,536	2,011	3,617	8,164
Total functional expenses before depreciation	3,556,024	1,868,254	851,487	6,275,765
Depreciation	76,750	51,166	42,638	170,554
TOTAL FUNCTIONAL EXPENSES	3,632,774	1,919,420	894,125	6,446,319
TOTAL EXPENSES	**$ 16,716,996**	**$ 1,919,420**	**$ 894,125**	**$ 19,530,541**

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, 2018

	Program Services	Supporting Services: Donor Relations	Supporting Services: Management and General	Total
ALLOCATIONS AND CONTRACTED PROGRAM SERVICES:				
Funds allocated to member agencies	$ 4,912,232	$ -	$ -	$ 4,912,232
Contracted program services	5,481,339	-	-	5,481,339
	10,393,571	-	-	10,393,571
FUNCTIONAL EXPENSES:				
Salaries and related expenses				
Salaries and wages	2,003,664	1,153,697	569,225	3,726,586
Employee benefits and payroll taxes	274,439	182,558	109,765	566,762
Total salaries and related expenses	2,278,103	1,336,255	678,990	4,293,348
Professional fees	87,732	57,205	30,457	175,394
Conferences and outreach events	81,222	24,558	5,267	111,047
National and state affiliations	119,875	69,023	34,055	222,953
Advertising and awareness	63,124	69,282	4,682	137,088
Equipment rental and maintenance	58,834	11,705	5,416	75,955
Printing and publications	6,332	137,737	986	145,055
Occupancy	73,047	31,211	26,009	130,267
Insurance	43,819	20,843	10,284	74,946
Supplies	35,403	11,525	4,577	51,505
Telephone	36,948	21,217	10,468	68,633
Travel	43,717	20,497	4,747	68,961
Postage and shipping	4,750	13,173	2,027	19,950
Other expenses	5,729	6,126	21,452	33,307
Total functional expenses before depreciation	2,938,635	1,830,357	839,417	5,608,409
Depreciation	77,199	51,467	42,889	171,555
TOTAL FUNCTIONAL EXPENSES	3,015,834	1,881,824	882,306	5,779,964
TOTAL EXPENSES	**$ 13,409,405**	**$ 1,881,824**	**$ 882,306**	**$ 16,173,535**

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,

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 1,298,774	$ 830,338
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	170,554	171,555
Provision for uncollectible pledges	1,257,550	815,527
Net unrealized and realized gains on investments	(101,642)	(249,128)
Accretion on discount on pledges receivable	(5,271)	(2,190)
(Increase) decrease in operating assets:		
Contributions receivable	(1,751,561)	(1,172,754)
Grants receivable and other receivables	(1,342,410)	(529,870)
Prepaid expenses and other assets	13,950	(186,169)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	932,185	547,516
Approved allocations payable	(125,115)	(89,535)
Donor designations payable	12,882	4,049
TOTAL ADJUSTMENTS	(938,878)	(690,999)
NET CASH PROVIDED BY OPERATING ACTIVITIES	359,896	139,339
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment purchases	(1,077,731)	(2,058,889)
Investment sales	2,007,229	2,012,351
Purchases of property and equipment	(118,104)	(39,456)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	811,394	(85,994)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,171,290	53,345
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	776,421	723,076
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ 1,947,711**	**$ 776,421**

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 major fundraising activities.

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, where by 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 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. The most significant accounting estimate impacting the Organization’s financial statements is the allowance for uncollectible contributions receivable, which amounted to $1,810,000 and $1,575,000 as of June 30, 2019 and 2018, respectively.

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. Cash equivalents are maintained at high-quality financial institutions. The Organization has not experienced any losses on its cash and cash equivalents.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentrations of Credit and Market Risk (Continued)

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.

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.

Contributions, Promises to Give and Donor-Designated Pledges

Contributions are recognized as revenue when they are received or unconditionally pledged. 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 based on a discount rate of 3% at June 30, 2019 and 2018. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met. An allowance for uncollectible contributions is provided based upon management's judgment, including such factors as prior collection history, type of contribution and nature of fund raising activity.

The Organization had one donor that represented approximately 35% and 33% of total annual campaign contributions presented in the Statements of Activities for the years ended June 30, 2019 and 2018, respectively. The Organization's top donors represent large corporations sponsoring employee campaign events each year, which have historically resulted in substantial contributions to the Organization.

During 2014, a restricted unconditional promise to give of $585,000 was made by an individual donor for program funding for future periods. As of June 30, 2019 and 2018, the remaining receivable related to this donation is approximately $304, 000 and $355,000, respectively, net of the discount.

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. Realized gains, unrealized (losses) gains, interest and dividends on investments are reflected in the Statements of Activities within "Net investment income." 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Beneficial Interest in Assets Held by Others

The Organization has investments in perpetual trusts, the funds of which are invested with the Community Foundation of Broward Inc., in the name of the Organization. As of June 30, 2019 and 2018, the fair value of these funds were $1,097,839 and $1,132,108, 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 and equipment are recorded at cost at the date of purchase, or, if contributed, the fair value at the date of donation. Contributed property and equipment is recorded at 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 and equipment 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

Impairment of Long-Lived Assets

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, 2019 and 2018.

Grants Receivable and Revenue Recognition

The Organization receives a significant portion of its revenues from government grants and contracts. The amounts received under these grants and contracts are designated for specific purposes by the granting agencies. Grant and contract revenue is recognized when the allowable costs as defined by the individual grants or contracts are incurred and/or the unit of service has been performed.

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 was not deemed necessary as of June 30, 2019 and 2018.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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. Donor designations that were pledged for the years ended June 30, 2019 and 2018 are $1,667,213 and $1,688,728, respectively, and are not included in net revenues. Donor designations payable at June 30, 2019 and 2018, are $366,903 and $354,021, 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.

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 reasonable basis that is consistently applied. 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. Accordingly, no provision for federal 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 2016.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adopted Accounting Pronouncements

Presentation of Financial Statements of Not-for-Profit Entities

During the year ended June 30, 2019, the Organization adopted Accounting Standards Update 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update amends the current reporting model for not-for-profit organizations and enhances their required disclosures. The major changes include, but are not limited to: (a) requiring the presentation of two classes of net assets now entitled “net assets without donor restrictions” and “net assets with donor restrictions,” (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations on gifts used to acquire or construct long-lived assets absent explicit donor restrictions otherwise, (d) requiring the presentation of an analysis of expenses by function and nature, (e) requiring the disclosure of information regarding liquidity and availability of resources, and (f) presenting investment return net of external and direct internal investment expenses. In addition, the update removes the requirement that statements of cash flows using the direct method also present a reconciliation consistent with the indirect method. The Organization has applied the update retrospectively to all periods presented and adjusted the presentation of these financial statements accordingly. As a result, the Organization has reclassified amounts formerly classified as unrestricted net assets to net assets without donor restrictions, as well as, temporarily restricted and permanently restricted net assets to net assets with donor restrictions. The adoption of this update has no other material effect on the Organization’s financial position and changes in net assets. In addition, the Organization has elected to continue to present the statements of cash flows using the indirect method.

Recent Accounting Pronouncements

Revenue from Contracts with Customers

In May 2014, the Financial Accounting Standards Board (the “FASB) issued an accounting standard update which affects the revenue recognition of entities that enter into either (1) certain contracts to transfer goods or services to customers or (2) certain contracts for the transfer of nonfinancial assets. The update indicates an entity should recognize revenue in an amount that reflects the consideration the entity expects to be entitled to in exchange for the goods or services transferred by the entity. The update is to be applied to the beginning of the year of implementation or retrospectively and is effective for annual periods beginning after December 15, 2018 and in interim periods in annual periods beginning after December 15, 2019. Early application is permitted, but no earlier than annual reporting periods beginning after December 15, 2016. The Organization is currently evaluating the effect the update will have on its financial statements.

Lease Accounting

In February 2016, the FASB issued an accounting standards update 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 US 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 Organization is currently evaluating the effect the update will have on its financial statements.

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. The Organization is evaluating the method of adoption it will elect. The update is originally effective for fiscal years beginning after December 15, 2019, and for interim periods within fiscal years beginning after December 15, 2020, with early application permitted. The effective dates have tentatively been extended to fiscal years beginning after December 15, 2020, and for interim periods within fiscal years beginning after December 15, 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements (Continued)

Classification of Certain Cash Receipts and Cash Payments

In August 2016, the FASB issued an accounting standard update to reduce diversity in practice on eight specific statement of cash flows issues. The update is effective retrospectively for financial statements issued for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019, with early adoption permitted. The Organization is currently evaluating the effect the update will have on its financial statements.

Accounting Guidance for Contributions Received and Contributions Made

In June 2018, the FASB issued an accounting standard update in an effort to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The FASB believes the update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (non-reciprocal transactions) within the scope of not-for-profit guidance, or as an exchange (reciprocal) transaction subject to other guidance and (2) determining whether a contribution is conditional or not. The update is effective on a modified prospective basis for fiscal years beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019, with early adoption permitted. The Organization is currently evaluating the potential accounting, transition, and disclosure effects the update will have on its financial statements.

Subsequent Events

The Organization has evaluated subsequent events through November 20, 2019, which is the date the financial statements were available to be issued.

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.

The Organization's financial assets available within one year of the statement of financial position date for general expenditures as of June 30, 2019 and 2018, are as follows:

	2019	2018
Cash and cash equivalents	$ 1,947,711	$ 776,421
Investments	3,473,314	4,266,901
Contributions receivable, net	4,272,679	3,773,397
Grants receivable and other receivables	2,232,698	890,288
Beneficial interest in assets held by others	1,097,839	1,132,108
Total financial assets	13,024,241	10,839,115
Less amounts not available to be used within one year:		
Net assets with donor restrictions	2,838,000	1,928,201
Less net assets with purpose restrictions estimated to be met in less than one year	(1,430,299)	(1,575,839)
Total financial assets not available to be used within one year	1,407,701	352,362
Financial assets available to meet general expenditures within one year	**$ 11,616,540**	**$ 10,486,753**

3. LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)

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.

4. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The FASB established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy 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.

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, 2019 and 2018.

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.

Funds of funds: Quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Beneficial interest 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.

4. INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

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, 2019 and 2018:

		Fair Value Measurements at June 30, 2019		
Description	**June 30, 2019**	**Quoted Prices In Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Other Unobservable Inputs (Level 3)**
Equity securities	$ 1,867,845	$ 1,867,845	-	-
Debt securities	1,282,700	1,282,700	-	-
Funds of funds	25,660	25,660	-	-
	$ 3,176,205	**$ 3,176,205**	**$ -**	**$ -**
Beneficial interest in assets held by others	**$ 1,097,839**	**$ -**	**$ -**	**$ 1,097,839**

		Fair Value Measurements at June 30, 2018		
Description	**June 30, 2018**	**Quoted Prices In Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Other Unobservable Inputs (Level 3)**
Equity securities	$ 2,358,274	$ 2,358,274	-	-
Debt securities	1,713,770	1,713,770	-	-
Funds of funds	151,165	151,165	-	-
	$ 4,223,209	**$ 4,223,209**	**$ -**	**$ -**
Beneficial interest in assets held by others	**$ 1,132,108**	**$ -**	**$ -**	**$ 1,132,108**

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, 2019 and 2018 are as follows:

	Fair Value Measurements at June 30, 2019				
	Beginning Balance	**Investment Fees**	**Investment Earnings**	**Amount Appropriated for Expenditures**	**Total**
Beneficial interest in assets held by others	**$ 1,132,108**	**$ (16,238)**	**$ 37,348**	**$ (55,379)**	**$ 1,097,839**

	Fair Value Measurements at June 30, 2018				
	Beginning Balance	**Investment Fees**	**Investment Earnings**	**Amount Appropriated for Expenditures**	**Total**
Beneficial interest in assets held by others	**$ 1,127,082**	**$ (17,219)**	**$ 78,495**	**$ (56,250)**	**$ 1,132,108**

4. INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

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

	Year Ended June 30, 2019		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Interest, dividends and realized income	$ 199,642	$ -	$ 199,642
Net unrealized gain	6,773	21,110	27,883
Total investment return	**$ 206,415**	**$ 21,110**	**$ 227,525**

	Year Ended June 30, 2018		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Interest, dividends and realized income	$ 489,682	$ -	$ 489,682
Net unrealized (loss) gain	(199,041)	61,276	(137,765)
Total investment return	**$ 290,641**	**$ 61,276**	**$ 351,917**

5. CONTRIBUTIONS RECEIVABLE, NET

Contributions receivable, net at June 30 are as follows:

	2019	**2018**
Contributions receivable due in less than one year	$ 5,822,856	$ 5,043,845
Contributions receivable due in one to five years	285,000	335,000
Total contributions receivable	6,107,856	5,378,845
Unamortized discount	(25,177)	(30,448)
Allowance for uncollectible contributions receivable	(1,810,000)	(1,575,000)
Total contributions receivable, net	4,272,679	3,773,397
Less: contributions receivable - net of current portion	(259,823)	(304,552)
Contributions receivable - current portion	**$ 4,012,856**	**$ 3,468,845**

The Organization utilizes a historical average for calculating the allowance for uncollectible contributions receivable and may be adjusted by management’s judgment of current economic conditions.

6. LAND, BUILDINGS AND EQUIPMENT, NET

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

	2019	2018
Land	$ 76,900	$ 76,900
Buildings and improvements	2,789,214	2,689,847
Furniture, equipment and software	1,761,960	1,743,223
	4,628,074	4,509,970
Less accumulated depreciation and amortization	(3,278,167)	(3,107,613)
	$ 1,349,907	**$ 1,402,357**

Depreciation and amortization expense was $170,554 and $171,555 for the years ended June 30, 2019 and 2018, 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 as net assets with donor restrictions the historical value of donor-restricted endowment funds, which includes (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) changes to the permanent endowment made in accordance with the direction of the applicable donor gift instrument.

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 Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of the Organization and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the Organization
(7) The investment policy of the Organization

For the years ended June 30, 2019 and 2018, the Organization has elected not to add appreciation for cost of living or other spending policies to its endowment for inflation and other economic conditions.

7. ENDOWMENT (CONTINUED)

As of June 30, 2019 and 2018, endowment net assets consisted of the following:

Summary of Endowment Net Assets at June 30, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	**$ -**	**$ 1,097,839**	**$ 1,097,839**

Summary of Endowment Net Assets at June 30, 2018:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	**$ -**	**$ 1,132,108**	**$ 1,132,108**

Changes to endowment net assets for the years ended June 30, 2019 and 2018 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2018	$ -	$ 1,132,108	$ 1,132,108
Realized and unrealized gains	-	37,348	37,348
Investment fees	-	(16,238)	(16,238)
Appropriated for expenditures	-	(55,379)	(55,379)
Endowment net assets, June 30, 2019	**$ -**	**$ 1,097,839**	**$ 1,097,839**

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2017	$ -	$ 1,127,082	$ 1,127,082
Realized and unrealized gains	-	78,495	78,495
Investment fees	-	(17,219)	(17,219)
Appropriated for expenditures	-	(56,250)	(56,250)
Endowment net assets, June 30, 2018	**$ -**	**$ 1,132,108**	**$ 1,132,108**

Summary of Endowment Assets:

As of June 30, 2019 and 2018, respectively, endowment assets are invested as follows:

	2019	2018
Beneficial interest in assets held by others	**$ 1,097,839**	**$ 1,132,108**

	June 30, 2019	June 30, 2018
The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by FUPMIFA	**$ 1,000,627**	**$ 1,000,627**

7. ENDOWMENT (CONTINUED)

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, 2019 and 2018.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those (a) assets of donor-restricted funds that the Organization must hold in perpetuity which are held by others for the benefit of the Organization and (b) assets with donor specified period restrictions as well as board-designated funds that are included as part of current investments.

Strategies Employed for Achieving Objectives

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

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization has a policy of appropriating for distribution each year up to five percent of its 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. In establishing this policy, the Organization considered the long-term expected return on its endowment.

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:

	2019	2018
Disaster relief	$ 250,996	$ 363,851
Business council on homelessness contributions	1,179,303	-
Restricted for future periods	407,074	563,723
	1,837,373	927,574
Restricted endowment in perpetuity (Note 7)	1,000,627	1,000,627
Total net assets with donor restrictions	**$ 2,838,000**	**$ 1,928,201**

During the years ended June 30, 2019 and 2018, net assets released from restrictions due to time and purpose for all of the Organization's general programs amounted to $840,963 and $171,040, 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, 2019 and 2018 are based upon the reported gross campaign contributions as follows:

	2019	2018
State organization	$ 36,082	$ 38,639
National organization	210,866	184,314
	$ 246,948	**$ 222,953**

10. BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

The Community Foundation of Broward, Inc. holds assets for the benefit of the Organization in five endowment funds, original values of the gift to be held in perpetuity. The endowment was established by third party donors. The investments held at Community Foundation of Broward, Inc. are measured at fair value. Changes in fair value are recognized in investment income in the Statements of Activities.

11. 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. The Board of Directors 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.

12. 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, 2019 and 2018, amounted to approximately $60,000 and $56,000, respectively.

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.

SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND SINGLE AUDIT REPORTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
United Way of 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, 2019, 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 20, 2019

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 to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.

Morrison, Brown, Argiz & Farra
Fort Lauderdale, Florida
November 20, 2019

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
United Way of Broward County, Inc.

Report 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 U.S. Office of Management and Budget (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, 2019. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization'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 the Organization'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 the Organization's compliance.

Opinion on Each Major Federal Program

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, 2019.

Report on Internal Control over Compliance

Management of the Organization 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 the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on a 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 the Organization's internal control over compliance.

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CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

To the Board of Directors
United Way of Broward County, Inc.
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Report on Internal Control over Compliance (Continued)

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.

Morrison, Brown, Argiz & Farra
Fort Lauderdale, Florida
November 20, 2019

UNITED WAY OF BROWARD COUNTY, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor, Pass-through Grantor, Program or Cluster Title	CFDA Number	Contract/ Grant Number	Passed Through to Subrecipients	Expenditures
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	5H79SP0022024-02 5H79SP0022024-03	$ -	$ 46,841
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1H79SM081496-01	-	68,459
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	34374-18	35,000	50,450
Total Substance Abuse and Mental Health Services Projects of Regional and National Significance			35,000	165,750
Block Grants for Community Mental Health Services	93.958	34374-18	184,800	314,267
Block Grants for Prevention and Treatment of Substance Abuse	93.959	34374-18	1,359,337	2,375,773
Total U.S. Department of Health and Human Services			1,579,137	2,855,790
U.S. DEPARTMENT OF AGRICULTURE:				
Pass-through State of Florida Department of Children and Families:				
Opioid State Targeted Response	93.788	34374-18	100,016	120,978
Total U.S. Department of Agriculture			100,016	120,978
U.S. DEPARTMENT OF HOMELAND SECURITY FEDERAL EMERGENCY MANAGEMENT AGENCY:				
Pass-through Florida Division of Emergency Management:				
Disaster Assistance Projects	97.088	FEMA-4337-DR-FL	-	3,134,816
Total U.S. Department of Homeland Security Federal Emergency Management Agency			-	3,134,816
U.S. DEPARTMENT OF VETERAN AFFAIRS:				
VA Homeless Providers Grant and Per Diem Program	64.024	UWBC402-0734-546-TP-19	-	98,622
VA Supportive Services for Veteran Families Program	64.033	14-FL-181	-	1,729,721
Total U.S. Department of Veteran Affairs			-	1,828,343
TOTAL EXPENDITURES OF FEDERAL AWARDS			**$ 1,679,153**	**$ 7,939,927**

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

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 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, 2019:

Department	Program	CFDA Number	Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	$ 35,000
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	Block Grants for Community Mental Health Services	93.958	184,800
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	Block Grants for Prevention and Treatment of Substance Abuse	93.959	1,359,337
U.S. DEPARTMENT OF AGRICULTURE	Opioid State Targeted Response	93.788	100,016
Total			**$ 1,679,153**

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, 2019.

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	X	No
Significant deficiencies identified that are not considered to be material weaknesses?		Yes	X	None reported
Noncompliance material to financial statements noted?		Yes	X	No

Federal Programs

Internal control over major programs:				
Material weakness(es) identified?		Yes	X	No
Significant deficiencies identified that are not considered to be material weaknesses?		Yes	X	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	X	No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
97.088	**Disaster Assistance Projects**

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

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