

UNITED WAY OF LEE COUNTY, INC.
**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**
YEARS ENDED DECEMBER 31, 2019 AND 2018



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**UNITED WAY OF LEE COUNTY, INC.
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YEARS ENDED DECEMBER 31, 2019 AND 2018**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
United Way of Lee County, Inc.
Fort Myers, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of United Way of Lee County, Inc., which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financials statement 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Lee County, Inc. as of December 31, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The 2019 supplementary information on pages 20 and 21 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Change in Accounting Principle

As discussed in Note 1 to the consolidated financial statements, United Way of Lee County, Inc. adopted a provision of Financial Accounting Standards Board Accounting Standards Updates 2018-08 *Not-for-Profit-Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions made* as management believes the standard improves the usefulness and understandability of the United Way of Lee County, Inc.'s financial reporting. Our opinion is not modified with respect to that matter.



CliftonLarsonAllen LLP

Fort Myers, Florida
November 23, 2020

**UNITED WAY OF LEE COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018**

ASSETS	2019	2018
Cash and Cash Equivalents	\$ 1,201,122	\$ 1,960,756
Escrow Cash	-	5,812
Pledges Receivable:		
2020-2021 Campaign Less Allowance for Uncollectible Pledges of \$-0-	73,500	-
2019-2020 Campaign Less Allowance for Uncollectible Pledges of \$289,381	4,878,142	2,586
2018-2019 Campaign Less Allowance for Uncollectible Pledges of \$584,548 for 2019 and \$257,508 for 2018	842,498	4,340,843
2017-2018 Campaign Less Allowance for Uncollectible Pledges of \$572,858	-	794,771
Prepaid Expense	76,840	65,999
Donated Inventory	233,676	49,856
Due from Other Agencies	115,707	137,705
Beneficial Interest in Designated Endowment Assets Held by Others	103,677	93,733
Board-Designated Endowment	2,431,330	2,057,951
Land, Building, and Equipment, Net	1,215,283	1,290,665
Total Assets	\$ 11,171,775	\$ 10,800,677
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accrued Expenses	\$ 315,737	\$ 291,125
Donor Designations Payable	83,896	69,959
Total Liabilities	399,633	361,084
NET ASSETS		
Without Donor Restrictions:		
Undesignated	(860,824)	(629,528)
Board-Designated Endowment	2,535,007	2,151,684
Invested in Land, Building, and Equipment	1,215,283	1,290,665
Total Unrestricted	2,889,466	2,812,821
With Donor Restrictions:		
Time-Restricted for Future Periods	7,882,676	7,626,772
Total Net Assets	10,772,142	10,439,593
Total Liabilities and Net Assets	\$ 11,171,775	\$ 10,800,677

See accompanying Notes to Financial Statements.

UNITED WAY OF LEE COUNTY, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Annual Campaign - Current Year:			
Contributions and Pledges	\$ -	\$ 8,255,243	\$ 8,255,243
Less: Donor Designations	-	(83,896)	(83,896)
Less: Uncollectible Pledges	-	(300,881)	(300,881)
Net Campaign Revenue - Current Year	<u>-</u>	<u>7,870,466</u>	<u>7,870,466</u>
Annual Campaign - Prior Year:			
Contributions and Pledges	10,324,687	(7,808,430)	2,516,257
Less: Donor Designations	(741,718)	46,834	(694,884)
Less: Uncollectible Pledges	(570,926)	257,508	(313,418)
Net Campaign Revenue - Prior Year	<u>9,012,043</u>	<u>(7,504,088)</u>	<u>1,507,955</u>
 Total Campaign Contributions, Net	 9,012,043	 366,378	 9,378,421
 Other Income:			
In-Kind Donations	3,174,323	-	3,174,323
Rental Income	47,985	-	47,985
Program Grants	833,024	12,210	845,234
Investment Income	502,199	-	502,199
Total Other Income	<u>4,557,531</u>	<u>12,210</u>	<u>4,569,741</u>
 NET ASSETS RELEASED FROM RESTRICTIONS	 <u>122,684</u>	 <u>(122,684)</u>	 <u>-</u>
 Total Revenue and Support	 13,692,258	 255,904	 13,948,162
EXPENSES			
Program Services:			
Agency Allocations	7,232,769	-	7,232,769
Less: Donor Designations	(741,718)	-	(741,718)
Net Agency Allocations	<u>6,491,051</u>	<u>-</u>	<u>6,491,051</u>
Other Allocations and Agency Relations	218,883	-	218,883
Other Program Services	2,481,021	-	2,481,021
In-Kind Distributions	2,990,503	-	2,990,503
Payments to National and State United Way Organizations	<u>121,082</u>	<u>-</u>	<u>121,082</u>
Total Program Services	<u>12,302,540</u>	<u>-</u>	<u>12,302,540</u>
 Support Services:			
Fundraising	772,374	-	772,374
Management and General	306,286	-	306,286
Building Expenses	234,413	-	234,413
Total Support Services	<u>1,313,073</u>	<u>-</u>	<u>1,313,073</u>
 Total Expenses	 <u>13,615,613</u>	 <u>-</u>	 <u>13,615,613</u>
 CHANGE IN NET ASSETS	 76,645	 255,904	 332,549
Net Assets - Beginning of Year	<u>2,812,821</u>	<u>7,626,772</u>	<u>10,439,593</u>
 NET ASSETS - END OF YEAR	 <u>\$ 2,889,466</u>	 <u>\$ 7,882,676</u>	 <u>\$ 10,772,142</u>

See accompanying Notes to Financial Statements.

UNITED WAY OF LEE COUNTY, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Annual Campaign - Current Year:			
Contributions and Pledges	\$ -	\$ 7,808,430	\$ 7,808,430
Less: Donor Designations	-	(46,834)	(46,834)
Less: Uncollectible Pledges	-	(257,508)	(257,508)
Net Campaign Revenue - Current Year	-	7,504,088	7,504,088
Annual Campaign - Prior Year:			
Contributions and Pledges	10,063,659	(7,522,744)	2,540,915
Less: Donor Designations	(573,536)	112,390	(461,146)
Less: Uncollectible Pledges	(637,060)	221,057	(416,003)
Net Campaign Revenue - Prior Year	8,853,063	(7,189,297)	1,663,766
Total Campaign Contributions, Net	8,853,063	314,791	9,167,854
Other Income:			
In-Kind Donations	2,000,004	-	2,000,004
Rental Income	69,720	-	69,720
Program Grants	445,845	122,684	568,529
Investment Loss	(162,200)	-	(162,200)
Total Other Income	2,353,369	122,684	2,476,053
NET ASSETS RELEASED FROM RESTRICTIONS	417,751	(417,751)	-
Total Revenue and Support	11,624,183	19,724	11,643,907
EXPENSES			
Program Services:			
Agency Allocations	7,132,225	-	7,132,225
Less: Donor Designations	(573,536)	-	(573,536)
Net Agency Allocations	6,558,689	-	6,558,689
Other Allocations and Agency Relations	203,539	-	203,539
Other Program Services	2,047,215	-	2,047,215
In-Kind Distributions	2,121,228	-	2,121,228
Payments to National and State United Way Organizations	113,969	-	113,969
Total Program Services	11,044,640	-	11,044,640
Support Services:			
Fundraising	666,761	-	666,761
Management and General	296,030	-	296,030
Building Expenses	256,007	-	256,007
Total Support Services	1,218,798	-	1,218,798
Total Expenses	12,263,438	-	12,263,438
CHANGE IN NET ASSETS	(639,255)	19,724	(619,531)
Net Assets - Beginning of Year	3,452,076	7,607,048	11,059,124
NET ASSETS - END OF YEAR	<u>\$ 2,812,821</u>	<u>\$ 7,626,772</u>	<u>\$ 10,439,593</u>

See accompanying Notes to Financial Statements.

**UNITED WAY OF LEE COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019**

	Program Services					Support Services					Totals	
	Allocations Agency Relations	United Way 211	United Way Volunteer Center	Community Building/UW Houses	VITA	Payments to Affiliated Organization	Total Program Services	Fundraising	Management & General	Building		Total Support Services
Salaries	\$ 153,480	\$ 699,729	\$ 185,718	\$ 267,391	\$ 91,384	\$ -	\$ 1,397,702	\$ 421,931	\$ 156,271	\$ 51,283	\$ 629,485	\$ 2,027,187
Employee Benefits	28,641	131,100	35,054	48,994	16,928	-	260,717	76,811	28,977	9,382	115,170	375,887
Payroll Taxes	11,726	53,097	13,892	20,154	7,076	-	105,945	32,725	12,413	4,028	49,166	155,111
Total	193,847	883,926	234,664	336,539	115,388	-	1,764,364	531,467	197,661	64,693	793,821	2,558,185
Annual Agency Allocations	6,491,051	-	-	-	-	-	6,491,051	-	-	-	-	6,491,051
Auto and Travel	2,023	1,127	4,539	4,984	1,272	-	13,945	10,542	1,259	-	11,801	25,746
Buildings Maintenance	-	346	-	37,488	-	-	37,834	-	609	46,228	46,837	84,671
Depreciation	161	722	186	277	98	-	1,444	460	32,930	63,635	97,025	98,469
Direct Assistance	-	659,861	-	-	-	-	659,861	-	-	-	-	659,861
Dues and Subscriptions	-	560	370	797	-	-	1,727	1,343	769	-	2,112	3,839
In-Kind Distributions	-	-	-	2,990,503	-	-	2,990,503	-	-	-	-	2,990,503
Insurance	-	-	-	4,639	-	-	4,639	-	2,832	30,317	33,149	37,788
Meetings	620	2,270	402	1,384	858	-	5,534	1,238	4,267	-	5,505	11,039
Office Supplies	10,485	10,597	26,212	25,037	12,532	-	84,863	62,753	14,127	399	77,279	162,142
Other	37	600	1,049	200	2,000	-	3,886	42,467	-	-	42,467	46,353
Payments to National and State												
United Way Organizations	-	-	-	-	-	121,082	121,082	-	-	-	-	121,082
Postage	18	269	9	68	147	-	511	25,624	4,034	-	29,658	30,169
Printing	-	1,813	-	411	-	-	2,224	28,265	-	300	28,565	30,789
Professional Fees	8,487	14,248	2,301	1,850	2,045	-	28,931	58,268	22,779	347	81,394	110,325
Rent	-	-	-	29,940	-	-	29,940	-	-	-	-	29,940
Rental Maintenance	-	1,536	-	715	-	-	2,251	-	13,795	11,348	25,143	27,394
Telephone	3,205	26,539	2,602	8,629	1,318	-	42,293	9,347	7,082	752	17,181	59,474
Training	-	93	688	5,417	1,466	-	7,664	600	4,142	-	4,742	12,406
Utilities	-	-	-	7,993	-	-	7,993	-	-	16,394	16,394	24,387
Total Expenses	<u>\$ 6,709,934</u>	<u>\$ 1,604,507</u>	<u>\$ 273,022</u>	<u>\$ 3,456,871</u>	<u>\$ 137,124</u>	<u>\$ 121,082</u>	<u>\$ 12,302,540</u>	<u>\$ 772,374</u>	<u>\$ 306,286</u>	<u>\$ 234,413</u>	<u>\$ 1,313,073</u>	<u>\$ 13,615,613</u>

See accompanying Notes to Financial Statements.

**UNITED WAY OF LEE COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2018**

	Program Services					Support Services					Totals	
	Allocations Agency Relations	United Way 211	United Way Volunteer Center	Community Building/UW Houses	VITA	Payments to Affiliated Organization	Total Program Services	Fundraising	Management & General	Building		Total Support Services
Salaries	\$ 140,808	\$ 628,363	\$ 159,470	\$ 247,540	\$ 87,275	\$ -	\$ 1,263,456	\$ 410,084	\$ 160,789	\$ 52,214	\$ 623,087	\$ 1,886,543
Employee Benefits	26,346	117,411	29,838	45,568	16,330	-	235,493	77,345	30,445	9,770	117,560	353,053
Payroll Taxes	9,961	44,456	11,281	17,228	6,174	-	89,100	29,242	11,375	3,693	44,310	133,410
Total	177,115	790,230	200,589	310,336	109,779	-	1,588,049	516,671	202,609	65,677	784,957	2,373,006
Annual Agency Allocations	6,558,689	-	-	-	-	-	6,558,689	-	-	-	-	6,558,689
Auto and Travel	2,340	984	3,498	6,125	1,069	-	14,016	8,495	1,356	-	9,851	23,867
Buildings Maintenance	-	-	-	17,843	-	-	17,843	-	5,637	41,981	47,618	65,461
Depreciation	-	-	-	-	-	-	-	-	34,535	67,039	101,574	101,574
Direct Assistance	-	453,664	-	-	-	-	453,664	-	-	-	-	453,664
Dues and Subscriptions	-	912	280	177	-	-	1,369	-	792	-	792	2,161
In-Kind Distributions	-	-	-	2,121,228	-	-	2,121,228	-	-	-	-	2,121,228
Insurance	-	-	-	1,482	-	-	1,482	-	2,748	35,450	38,198	39,680
Meetings	95	2,036	400	1,132	395	-	4,058	892	2,165	-	3,057	7,115
Office Supplies	12,095	3,060	20,496	12,722	13,958	-	62,331	21,864	11,749	46	33,659	95,990
Other	-	-	-	-	-	-	-	11,265	-	-	11,265	11,265
Payments to National and State United Way Organizations	-	-	-	-	-	113,969	113,969	-	-	-	-	113,969
Postage	31	436	23	69	476	-	1,035	23,209	827	55	24,091	25,126
Printing	-	-	-	-	-	-	-	20,348	196	-	20,544	20,544
Professional Fees	9,550	14,168	959	1,924	942	-	27,543	57,350	21,893	281	79,524	107,067
Rent	-	-	-	29,940	-	-	29,940	-	-	-	-	29,940
Rental Maintenance	-	-	-	-	-	-	-	-	-	27,946	27,946	27,946
Telephone	2,313	22,882	1,974	7,389	1,026	-	35,584	6,667	11,473	700	18,840	54,424
Training	-	170	1,094	2,511	817	-	4,592	-	50	-	50	4,642
Utilities	-	-	-	9,248	-	-	9,248	-	-	16,832	16,832	26,080
Total Expenses	<u>\$ 6,762,228</u>	<u>\$ 1,288,542</u>	<u>\$ 229,313</u>	<u>\$ 2,522,126</u>	<u>\$ 128,462</u>	<u>\$ 113,969</u>	<u>\$ 11,044,640</u>	<u>\$ 666,761</u>	<u>\$ 296,030</u>	<u>\$ 256,007</u>	<u>\$ 1,218,798</u>	<u>\$ 12,263,438</u>

See accompanying Notes to Financial Statements.

**UNITED WAY OF LEE COUNTY, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Revenue and Support:		
Campaign Contributions	\$ 8,712,537	\$ 8,983,549
Investment Income	101,456	104,584
Program Grants	845,234	568,529
Other Revenue	47,985	69,735
Payments and Expenses:		
Payments to Agencies	(6,477,114)	(6,601,120)
Operating Expenses	(4,021,819)	(3,432,197)
Cash Flows Used by Operating Activities	(791,721)	(306,920)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures	(23,087)	(23,881)
Securities Purchases	(251,271)	(560,475)
Securities Sales	278,635	561,455
Payments from (to) Other Agencies	27,810	(16,548)
Cash Flows Provided (Used) by Investing Activities	32,087	(39,449)
NET DECREASE IN CASH	(759,634)	(346,369)
Cash and Cash Equivalents - Beginning of Year	1,960,756	2,307,125
CASH - END OF YEAR	\$ 1,201,122	\$ 1,960,756
RECONCILIATION OF CHANGE IN NET ASSETS TO		
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Change in Net Assets	\$ 332,549	\$ (619,531)
Adjustments for Noncash Items:		
Depreciation	98,469	101,574
Provision for Uncollectible Pledges	871,807	894,568
Realized Endowment Loss	(37,874)	(41,951)
Unrealized Endowment Gain (Loss)	(362,869)	308,735
Loss on Disposal of Fixed Assets	-	63
Changes in Assets and Liabilities:		
Pledges Receivable	(1,527,747)	(1,092,456)
Prepaid Expenses	(10,841)	(18,608)
Other Asset Accounts	(193,764)	134,759
Donor Designations Payable	13,937	(42,431)
Accrued Expenses	24,612	68,358
Cash Flows Used by Operating Activities	\$ (791,721)	\$ (306,920)

See accompanying Notes to Financial Statements.

**UNITED WAY OF LEE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

United Way of Lee County, Inc. (the Organization) is the designated United Way fundraising organization for Lee, Hendry, Glades, and Okeechobee Counties, Florida. The Organization provides funding for member agencies based upon a yearly allocation amount.

Basis of Preparation

The Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net Asset Classifications

Resources for various purposes are classified for accounting and financial reporting purposes into net asset categories established according to their nature and purpose as follows:

Without Donor Restrictions – Net assets not subject to donor-imposed restrictions. Such assets are available for any purpose consistent with the Organization’s mission.

Net Assets with Donor Restriction – Time Restricted for Future Periods – Net assets subject to specific, donor-imposed restrictions that must be met by actions of the Organization and/or the passage of time. Such assets normally fund specific expenditures of an operating or capital nature.

Net Assets with Donor Restriction Into Perpetuity – Net assets subject to donor-imposed restriction requiring they be maintained permanently by the Organization. Such assets are normally restricted to long-term investment with income earned and appreciation available for specific or general Organization purposes. The Organization does not have any such net assets as of December 31, 2019 and 2018.

Annual Campaign

United Way receives the majority of its funding resources by conducting an annual campaign among businesses and individuals residing in Lee, Hendry, Glades, and Okeechobee Counties, Florida. Funds raised that are not specifically designated to qualified agencies are allocated to community programs and services based on assessed needs, as determined primarily by volunteer committees.

An annual campaign is conducted from the latter part of the year into the first few months of the subsequent year. The amounts raised are used to fund the agency allocations in the subsequent year.

The annual campaign contributions and pledges received or receivable as of December 31 are recorded as net assets with donor restrictions and are transferred to net assets without donor restrictions in the year of the allocation to participating agencies.

**UNITED WAY OF LEE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donor Designations

Donors to the campaign may designate all or part of their contributions to specific unaffiliated agencies. Accordingly, any amounts designated to unaffiliated agencies are not included as agency allocations and are recorded as a deduction from campaign contributions and gross allocations on the statements of activities. The amount of donor designations to specific unaffiliated agencies that remain unpaid at year-end is included in the statements of financial position as Donor Designations Payable.

Liquidity

Assets are presented in the accompanying statements of financial position according to the nearness of conversion to cash, and liabilities according to the nearness of their maturities and resulting use of cash.

Cash Balances and Cash Equivalents

The Organization considers all cash accounts subject to immediate withdrawal to be cash equivalents. The Organization may have bank deposits in excess of federally insured limits.

Pledges Receivable

Pledges receivable that are expected to be collected within one year are recorded at their net realizable value. Based on prior experience, the Organization expects that certain pledges receivable will be uncollectible. Using this experience, the Organization has computed a percentage of total pledges receivable to estimate their allowance for uncollectibles. It is reasonably possible that the estimate of uncollectible pledges will change in the coming year.

Board-Designated Endowment

The Organization's investments in the Board-Designated Endowment consist principally of publicly traded debt and equity securities. These investments are reported at fair value. Investment income or loss, which includes gains and losses on investments, interest and dividends, is included in the statements of activities as an increase or decrease in net assets without donor restrictions unless their income or loss is restricted, in which case it is reflected as an increase or decrease in restricted net assets.

Land, Building, and Equipment

Land, building, and equipment are stated at cost. Depreciation is computed using the straight-line method over periods approximating the useful life of the assets.

Donated Assets

Donated assets are reflected as in-kind contributions at their estimated values at the date of receipt. No amounts have been reflected in the financial statements for donated services. A substantial number of volunteers donated significant amounts of their time in the Organization's fundraising campaign and funds allocation process. The value of the donated assets in excess of in-kind distributions is reflected as inventory in the statement of financial position.

**UNITED WAY OF LEE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Organization is designated as a 501(c)(3) charitable organization by the Internal Revenue Service and is exempt from federal and state income taxes. The Organization follows the income tax standard for uncertain tax positions. The Organization has evaluated its tax positions and determined it has no uncertain tax positions as of December 31, 2019 and 2018.

Beneficial Interests in Designated Endowment Assets Held by Others

Beneficial Interests in Assets Held by Others are recorded at fair value. Interest income and market value change earned on the beneficial interest is recorded in the Organization's statements of activities.

Fair Value Measurement

The Organization follows the disclosure requirements for fair value measurements as required by generally accepted accounting principles. These requirements define fair value, establish a framework for measuring fair value, establish a fair value hierarchy based on the quality of inputs used to measure fair value, and require expanded disclosures about fair value measurements.

Financial assets and liabilities recorded on the statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities. The inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets.

Level 2 – Financial assets and liabilities are valued using inputs such as quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data. Level 2 includes private collateralized mortgage obligations, municipal bonds, and corporate debt securities.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset and inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset. Level 3 includes private equity, venture capital, hedge funds, and real estate.

Subsequent to initial recognition, the Organization may remeasure the carrying value of assets and liabilities measured on a nonrecurring basis to fair value. Adjustments to fair value usually result when certain assets are impaired. Such assets are written down from their carrying amounts to their fair value.

**UNITED WAY OF LEE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurement (Continued)

Professional standards allow entities the irrevocable option to elect to measure certain financial instruments and other items at fair value for the initial and subsequent measurement on an instrument-by-instrument basis. The Organization adopted the policy to value certain financial instruments at fair value. The Organization has not elected to measure any new financial instruments at fair value.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates based on management's knowledge and experience. Due to their prospective nature, actual results could differ from those estimates.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 23, 2020, the date the financial statements were available to be issued.

New Accounting Pronouncements – ASU 2018-08

The Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. There was no material impact on the Organization's financial position or change in net assets upon adoption of the new standard.

New Accounting Pronouncements – ASU 2014-09

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which affects contracts with customers to transfer goods or services and contracts for the transfer of nonfinancial assets. The core principle of this Update is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the good or services. This Update requires entities to make new judgments and estimates and provide expanded disclosures about revenue. This Update is effective for the Organization's coming year. The Organization is currently evaluating the impact of the adoption of the new standard on the financial statements.

NOTE 2 ESCROW CASH

The Organization serves as the collection agent for contributions from federal employees at the local level for distribution to various national and local charities. The escrow cash represents collections that are to be distributed to charities other than the Organization.

**UNITED WAY OF LEE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 3 BENEFICIAL INTEREST IN DESIGNATED ENDOWMENT ASSETS HELD BY OTHERS

During 1995 and 2001, the Organization transferred funds to the Southwest Florida Community Foundation for investment purposes. The Southwest Florida Community Foundation holds variance power over the funds and is holding the funds for the benefit of the Organization. Future benefits of these funds remain on the books of the Organization as the funds were originally donated to the Organization. The amounts are recorded at fair market value. The balance at December 31, 2019 and 2018 was \$103,677 and \$93,733, respectively.

NOTE 4 BOARD-DESIGNATED ENDOWMENT (INVESTMENTS)

The Organization has also placed monies with financial institutions. The investments in these financial institutions consist of cash and publicly traded securities and are reflected at market value. All of these investments are considered to be Board-Designated Endowment. The investments consisted of the following at December 31:

	Market Value	
	2019	2018
Marketable Equity Securities	\$ 1,906,474	\$ 1,556,865
Fixed Income Bonds	430,450	388,273
Cash Equivalents	94,406	112,813
Total	\$ 2,431,330	\$ 2,057,951

	Cost	
	2019	2018
Marketable Equity Securities	\$ 1,416,034	\$ 1,411,074
Fixed Income Bonds	423,491	399,534
Cash Equivalents	94,406	112,813
Total	\$ 1,933,931	\$ 1,923,421

The components of the Organization's investment income (loss) are presented below:

	2019	2018
Investment Earnings	\$ 101,456	\$ 104,584
Realized Gain	37,874	41,951
Unrealized Gain (Loss)	362,869	(308,735)
Total	\$ 502,199	\$ (162,200)

**UNITED WAY OF LEE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 5 LAND, BUILDING, AND EQUIPMENT

Land, building, and equipment are composed of the following at December 31:

	2019	2018
Land	\$ 29,192	\$ 29,192
Building	2,215,236	2,192,150
Furniture and Equipment	190,004	190,004
Computers and Software	60,689	60,689
Vehicles	31,567	31,567
Network Costs	14,965	14,965
Total	2,541,653	2,518,567
Less: Accumulated Depreciation	(1,326,370)	(1,227,902)
Total	\$ 1,215,283	\$ 1,290,665

The Organization's capital assets are depreciated over the following time frames:

Building	25 Years
Furniture and Equipment	5 to 7 Years
Computers and Software	3 to 5 Years
Vehicles	5 Years

NOTE 6 RESTRICTIONS ON NET ASSETS

Net assets restricted by donors for future periods, are composed of 2019 campaign pledges restricted for 2020 program and support services.

NOTE 7 RETIREMENT PLAN

The Organization has a 401(k) profit sharing plan that covers eligible employees over the age of 21 with at least one year of service. Under this plan, the Organization matches 100% of eligible employee contributions that do not exceed 3% of their compensation, plus 50% of eligible employee's contributions between 3% and 5% of their compensation. The plan also provides that the Organization may make an annual discretionary profit sharing contribution of up to 3% of eligible employee's compensation. For the years ended December 31, 2019 and 2018, the Organization elected to make the maximum profit sharing contribution resulting in a total contribution to the plan of \$100,337 and \$98,250, respectively.

**UNITED WAY OF LEE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 8 GRANTS

The Organization was the recipient of the following grants during the years ended December 31:

	<u>2019</u>	<u>2018</u>
Help Me Grow Grant	\$ 163,129	\$ 163,979
Hendry County Building Grants	70,107	75,493
Lee County Department of Human and Veteran Services Grant	45,000	45,000
211 Navigator Grant	2,500	11,687
VITA	70,544	59,091
FEMA	5,879	6,125
Lee County EOC Grant	5,900	4,200
Storm Assistance Grants	478,845	498,021
Florida Veterans Peer Initiative	113,804	-
Total	<u>\$ 955,708</u>	<u>\$ 863,596</u>

NOTE 9 FAIR VALUE MEASUREMENTS

The following table presents the classification of the Organization's investments as of December 31, 2019, in accordance with the levels described in Note 1 to these financial statements:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Marketable Equity Securities	\$ 1,906,474	\$ -	\$ -	\$ 1,906,474
Beneficial Interest in Designated Endowment Assets Held by Others	-	-	103,677	103,677
Fixed Income Bonds	430,450	-	-	430,450
Total	<u>\$ 2,336,924</u>	<u>\$ -</u>	<u>\$ 103,677</u>	<u>\$ 2,440,601</u>

At December 31, 2019, the Board-Designated Endowment on the statement of financial position included \$94,406 of cash equivalents.

The Beneficial Interest in Designated Endowment Assets Held by Others has been classified as Level 3 due to the limited number of inputs available to the Organization in determining fair value. A reconciliation of activity for the year ended December 31, 2019 is as follows:

Balance - Beginning of the Year	\$ 93,733
Realized and Unrealized Gains Included in Investment Income	9,944
Balance - End of Year	<u>\$ 103,677</u>

**UNITED WAY OF LEE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 9 FAIR VALUE MEASUREMENTS (CONTINUED)

The following table presents the classification of the Organization's investments as of December 31, 2018, in accordance with the levels described in Note 1 to these financial statements:

	Level 1	Level 2	Level 3	Total
Marketable Equity Securities	\$ 1,556,865	\$ -	\$ -	\$ 1,556,865
Beneficial Interest in Designated Endowment Assets Held by Others	-	-	93,733	93,733
Fixed Income Bonds	388,273	-	-	388,273
Total	<u>\$ 1,945,138</u>	<u>\$ -</u>	<u>\$ 93,733</u>	<u>\$ 2,038,871</u>

At December 31, 2018, the Board-Designated Endowment on the statement of financial position included \$112,813 of cash equivalents.

The Beneficial Interest in Designated Endowment Assets Held by Others has been classified as Level 3 due to the limited number of inputs available to the Organization in determining fair value. A reconciliation of activity for the year ended December 31, 2018 is as follows:

Balance - Beginning of the Year	\$ 107,253
Realized and Unrealized Losses Included in Investment Income	(13,520)
Balance - End of Year	<u>\$ 93,733</u>

Beneficial Interest in Assets Held by Others is measured at fair value with a valuation technique utilizing market prices at the close of the last day for the statement period, provided by Southwest Florida Community Foundation.

NOTE 10 BOARD-DESIGNATED ENDOWMENT

As of December 31, 2019 and 2018, the board had designated \$2,535,007 and \$2,151,684, respectively, of net assets without donor restrictions as a general endowment to support the mission of the Organization.

As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Organization has no donor-restricted endowment.

The Organization classifies as Board-Designated Endowment net assets (a) the original value of gifts designated by the board as endowment, (b) the original value of subsequent gifts to the Board-Designated Endowment, and (c) accumulated investment earnings and/or losses to the Board-Designated Endowment in accordance with board designations.

**UNITED WAY OF LEE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 10 BOARD-DESIGNATED ENDOWMENT (CONTINUED)

In deciding on the proper treatment of the endowed funds, the Organization considered the following factors in making a determination to appropriate or accumulate endowment funds:

- (1) The purposes of the Organization;
- (2) The long-term and short-term needs of the Organization in carrying out its purposes;
- (3) The general economic conditions;
- (4) The possible effect of inflation or deflation;
- (5) The other resources of the Organization; and
- (6) Perpetuation of the endowment.

The following is a summary of the Organization's endowment fund activity and investments for the years ended December 31:

	2019	2018
Endowment Investment Assets - Beginning of Year	\$ 2,151,684	\$ 2,432,968
Changes in Market Value	420,443	(209,700)
Investment Earnings	90,917	76,884
Withdrawals from the Fund	(114,259)	(134,398)
Investment Management Expenses	(13,778)	(14,070)
Endowment Investment Assets - End of Year	\$ 2,535,007	\$ 2,151,684

Investment Objectives and Strategies

The Organization has adopted an investment policy to provide guidelines for investing endowment assets. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner to maximize return within reasonable and prudent levels of risk, and with proper monitoring and assessment of associated costs; follow an investment policy based on total return, not yield; realize sufficient total return to help support a broad level of programs and services; and provide seed money for new ventures. To achieve these objectives, the Organization follows an asset diversification plan, sets performance benchmarks for investments managers, and has established various asset quality and limitations thresholds.

Distribution Policy

The Organization has adopted a spending policy to provide guidelines for distributing funds from the Endowment Fund. Under this policy, as approved by the board of directors, the funds available for distribution during any one year will be limited to a percentage of the market value of the Fund's balance that is based on a three-year annual average.

**UNITED WAY OF LEE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 10 BOARD-DESIGNATED ENDOWMENT (CONTINUED)

Distribution Policy (Continued)

The market value for this purpose will be determined net of the fees for investment and account management. Additionally, any unexpended funds from those available for distribution in a given year will be accrued and will continue to be considered available for distribution in subsequent years unless otherwise designated by actions of the finance committee with approval of the board of directors. Annually, the board of directors may approve the transfer of an amount up to 5% of the three-year average balance of the Fund, as calculated to the campaign.

NOTE 11 RELATED PARTY TRANSACTIONS

The Organization maintains a bank depository account at a financial institution in which an Organization board member was an officer during the years ended December 31, 2019 and 2018. The bank depository account balance held at this financial institution at December 31, 2019 and 2018 totaled \$19,940 and \$20,000, respectively.

The Organization maintains a money market account at a financial institution in which an Organization board member was an officer during the years ended December 31, 2019 and 2018. The money market account balance held at this financial institution at December 31, 2019 and 2018 totaled \$184,065 and \$734,665, respectively.

The Organization maintains a money market account at a financial institution in which an Organization board member was an officer during the years ended December 31, 2019 and 2018. The money market account balance held at this financial institution at December 31, 2019 and 2018 was \$20,040 and \$20,045, respectively.

The Organization maintains, either directly or through a custodial relationship, a brokerage account utilized to receive and sell security donations with a financial institution through a brokerage firm in which an Organization board member was an officer during the years ended December 31, 2019 and 2018. Security donations received and deposited into this brokerage account during the years ended December 31, 2019 and 2018 totaled \$169,906 and \$115,683, respectively. The brokerage account balance held at the financial institution at December 31, 2019 and 2018 totaled \$19,822 and \$4,770, respectively.

As of December 31, 2019 and 2018, campaign contributions from board members totaled \$1,029,187 and \$942,491, respectively.

**UNITED WAY OF LEE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 12 LIQUIDITY

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities as well as the conduct of services undertaken to support those activities to be general expenditures.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following at December 31:

	2019	2018
Cash and Cash Equivalents	\$ 1,201,122	\$ 1,960,756
Pledges Receivable	5,794,140	4,343,429
Board Designated Endowment Distributions	114,259	135,000
Total	\$ 7,109,521	\$ 6,439,185

See Note 10 for a description of the Organization's board-designated distribution policy.

NOTE 13 SUBSEQUENT EVENT

Subsequent to year-end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Organization, COVID-19 will impact various parts of its 2020 operations and financial results including but not limited to additional costs for emergency preparedness, disease control and containment, potential shortages of health care personnel, or loss of revenue due to reductions in certain revenue streams. Management believes the Organization is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as of December 31, 2019.

UNITED WAY OF LEE COUNTY, INC.
ALLOCATIONS TO AGENCIES
YEAR ENDED DECEMBER 31, 2019
(SEE INDEPENDENT AUDITORS' REPORT)

	Agency Allocations		
	United Way Directed	Donor Directed	Total
211 Palm Beach Treasure Coast	\$ 5,000	\$ -	\$ 5,000
Abuse Counseling and Treatment Center (ACT)	342,700	-	342,700
AFCAAM	60,000	-	60,000
Agape Home	13,500	-	13,500
AHF/ICAN	90,000	-	90,000
Alliance for the Arts	10,000	2,539	12,539
Alvin A Dubin Alzheimer's Resource Center	101,750	3,500	105,250
American Red Cross - Florida's Southern Gulf	62,500	3,500	66,000
Amigos Center	54,000	4,000	58,000
AMIkids Southwest Florida	39,000	-	39,000
Beacon of HOPE	39,000	-	39,000
Big Brothers Big Sisters of the Suncoast	101,500	250	101,750
Big Brothers Big Sisters of St. Lucie, Indian River and Okeechobee Counties	6,000	-	6,000
Blessings in a Backpack Lee County	35,000	-	35,000
Bonita Springs Assistance Office	61,500	5,350	66,850
Bonita Springs Lions Eye Clinic	22,500	-	22,500
Boy Scouts of America Southwest Florida Council	163,500	-	163,500
Boys & Girls Club of Lee County	223,295	2,000	225,295
Café of Life	25,000	10,350	35,350
Cancer Alliance of Naples	9,000	-	9,000
Cape Coral Caring Center	5,000	-	5,000
Castle	10,500	-	10,500
Catholic Charities of Lee, Hendry and Glades Counties	123,542	500	124,042
Child Care of Southwest Florida	116,600	-	116,600
Children's Advocacy Center of Southwest Florida	357,100	4,500	361,600
Children's Home Society of Florida-Southwest Division	154,526	-	154,526
Children's Home Society of Florida-Treasure Coast Division	11,500	-	11,500
Children's Network of SWFL	50,000	-	50,000
Community Cooperative	362,000	6,250	368,250
Deaf and Hard of Hearing Center	12,000	-	12,000
Dr. Piper Center for Social Services	63,500	-	63,500
Early Learning Coalition of Southwest Florida	82,500	-	82,500
Early Learning Coalition of Indian River, Martin and Okeechobee Counties	4,000	-	4,000
Epilepsy Services of Southwest Florida	22,000	-	22,000
F.I.S.H. of Sanibel-Captiva	48,500	500	49,000
PSEP/Scholars Program, FGCU	25,000	-	25,000
Friendship Centers	103,260	-	103,260
Girl Scouts of Gulfcoast Florida	28,000	780	28,780
Good Wheels	103,567	-	103,567
Goodwill Industries of Southwest Florida	115,800	3,350	119,150
Guardian Ad Litem Foundation	34,500	-	34,500
Subtotal	3,298,140	47,369	3,345,509

UNITED WAY OF LEE COUNTY, INC.
ALLOCATIONS TO AGENCIES (CONTINUED)
YEAR ENDED DECEMBER 31, 2019
(SEE INDEPENDENT AUDITORS' REPORT)

	Agency Allocations		
	United Way Directed	Donor Directed	Total
Subtotal from Previous Page	\$ 3,298,140	\$ 47,369	\$ 3,345,509
Gulf Coast Humane Society	45,000		45,000
Harry Chapin Food Bank of Southwest Florida	161,845	24,668	186,513
Health Planning Council (Early Steps)	19,000	-	19,000
Healthy Families Hendry and Glades Counties	13,000	-	13,000
Healthy Start Coalition of Southwest Florida	160,877	-	160,877
Healthy Start Coalition of Okeechobee	3,500	-	3,500
Hibiscus Children's Center	13,500	-	13,500
Hope Clubhouse	25,500	-	25,500
Hope HealthCare Services	82,000	16,000	98,000
Hospice of Okeechobee	15,000	-	15,000
Human Trafficking Awareness Partnerships	30,570	-	30,570
IMPACT for Developmental Education	134,000	-	134,000
Interfaith Charities of South Lee	72,000	-	72,000
I WILL Mentorship Foundation	25,100	7,000	32,100
LARC	255,500	3,850	259,350
Lee County DHS - Triage Center	25,000	-	25,000
Lee County Legal Aid Society	95,000	-	95,000
Lehigh Community Services	102,600	-	102,600
Lifeline Family Center	19,000	2,733	21,733
Lighthouse of SWFL	77,500	-	77,500
Literacy Council of the Gulf Coast	187,000	-	187,000
Lutheran Services	25,000	-	25,000
Martha's House	16,000	-	16,000
Meals of Hope	25,000	-	25,000
Midwest Food Bank	10,000	-	10,000
Multiple Sclerosis Center of SWFL	10,000	-	10,000
My Aunt's House	10,500	-	10,500
NAMI - Lee County	66,070	-	66,070
New Horizons of SWFL	40,000	11,000	51,000
Okeechobee Educational Foundation	2,000	-	2,000
Our Mother's Home of Southwest Florida	18,500	-	18,500
Pace Center for Girls of Lee County	44,100	6,500	50,600
Partners for Breast Cancer Care	37,000	-	37,000
Project Dentists Care	84,583	-	84,583
Quality Life Center	58,000	116,500	174,500
Real Life Children's Ranch	14,000	-	14,000
Redlands Christian Migrant Association (RCMA)	17,500	-	17,500
SalusCare	383,392	500	383,892
Shared Services Network of Okeechobee County	6,400	-	6,400
Social Norming Project/The School District of Lee County	25,000	-	25,000
Southwest Florida Regional Human Trafficking Coalition	2,460	-	2,460
Special Equestrians	40,000	2,270	42,270
The Heights Center	57,500	14,500	72,000
The Lee County Coalition for Drug-Free SWFL	6,317	250	6,567
The Salvation Army of Lee, Hendry and Glades	405,008	16,500	421,508
The Sky Family YMCA	176,000	8,000	184,000
Treasure Coast Food Bank	9,500	-	9,500
United Cerebral Palsy	3,000	-	3,000
Valerie's House	15,000	-	15,000
Wellfit Girls Program	12,500	-	12,500
Other United Ways and Non-United Way Agencies	10,090	464,078	474,168
Total	<u>\$ 6,491,052</u>	<u>\$ 741,718</u>	<u>\$ 7,232,770</u>