

UNITED WAY OF SOUTH SARASOTA COUNTY, INC.

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

JULY 31, 2020

CONTENTS

| | <u>PAGE</u> |
|--|-------------|
| INDEPENDENT AUDITOR'S REPORT | 1 |
| STATEMENT OF FINANCIAL POSITION | 2 |
| STATEMENT OF ACTIVITIES | 3 |
| STATEMENT OF FUNCTIONAL EXPENSES | 4 |
| STATEMENT OF CASH FLOWS | 5 |
| NOTES TO FINANCIAL STATEMENTS. | 6 - 13 |

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
United Way of South Sarasota County, Inc.
Venice, Florida

We have audited the accompanying financial statements of United Way of South Sarasota County, Inc. (a nonprofit organization), which comprise the statement of financial position as of July 31, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 United Way of South Sarasota County, Inc. as of July 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Whittaker & Associates
Certified Public Accountants
Venice, Florida

November 23, 2020

UNITED WAY OF SOUTH SARASOTA COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
July 31, 2020

(See Independent Auditor's Report)

ASSETS

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|---|---------------------------------------|------------------------------------|---------------------|
| Current Assets | | | |
| Cash and cash equivalents | \$ 326,201 | \$ 61,342 | \$ 387,543 |
| Pledges receivable, less doubtful allowance of \$52,421 | 178,181 | - | 178,181 |
| Prepaid expenses | 626 | - | 626 |
| Total Current Assets | <u>505,008</u> | <u>61,342</u> | <u>566,350</u> |
| Non-Current Assets | | | |
| Investments | 546,043 | - | 546,043 |
| Beneficial interest in Foundation of United Way of United Way of South Sarasota County, Inc. | 467,644 | - | 467,644 |
| Total Non-Current Assets | <u>1,013,687</u> | <u>-</u> | <u>1,013,687</u> |
| Total Assets | <u>\$ 1,518,695</u> | <u>\$ 61,342</u> | <u>\$ 1,580,037</u> |

LIABILITIES AND NET ASSETS

| | | | |
|---------------------------------------|---------------------|------------------|---------------------|
| Current Liabilities | | | |
| Accounts payable and accrued expenses | \$ 13,648 | \$ - | \$ 13,648 |
| Allocations payable | 246,624 | - | 246,624 |
| Total Current Liabilities | <u>260,272</u> | <u>-</u> | <u>260,272</u> |
| Total Liabilities | <u>260,272</u> | <u>-</u> | <u>260,272</u> |
| Net Assets | | | |
| Without donor restrictions | 1,258,423 | - | 1,258,423 |
| With donor restrictions | - | 61,342 | 61,342 |
| Total Net Assets | <u>1,258,423</u> | <u>61,342</u> | <u>1,319,765</u> |
| Total Liabilities and Net Assets | <u>\$ 1,518,695</u> | <u>\$ 61,342</u> | <u>\$ 1,580,037</u> |

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

UNITED WAY OF SOUTH SARASOTA COUNTY, INC.
STATEMENT OF ACTIVITIES
For the year ended July 31, 2020

(See Independent Auditor's Report)

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|---------------------------------------|------------------------------------|-------------------------|
| Revenue and Support: | | | |
| Campaign contributions | \$ 530,907 | \$ 52,259 | \$ 583,166 |
| Less uncollectible pledges | <u>(26,665)</u> | - | <u>(26,665)</u> |
| Net campaign support | 504,242 | 52,259 | 556,501 |
| Contributions in-kind | 10,735 | - | 10,735 |
| Foundation and trust grants | 22,950 | - | 22,950 |
| Special events | 81,058 | - | 81,058 |
| Interest | 2,502 | - | 2,502 |
| Net investment income | 8,610 | - | 8,610 |
| Change in net assets of The Foundation of the United Way of South Sarasota County, Inc. | (5,593) | - | (5,593) |
| Paycheck protection program grant income | 26,289 | - | 26,289 |
| Other income | <u>760</u> | <u>-</u> | <u>760</u> |
| Subtotal Revenue and Support | 651,553 | 52,259 | 703,812 |
| Net assets released from restrictions | <u>17,329</u> | <u>(17,329)</u> | <u>-</u> |
| Total Revenue and Support | <u>668,882</u> | <u>34,930</u> | <u>703,812</u> |
| Expenses: | | | |
| Program services | 328,944 | - | 328,944 |
| Management and general | 88,842 | - | 88,842 |
| Fund raising | <u>103,877</u> | <u>-</u> | <u>103,877</u> |
| Total Expenses | <u>521,663</u> | <u>-</u> | <u>521,663</u> |
| Increase (decrease) in net assets | 147,219 | 34,930 | 182,149 |
| Net assets at beginning of year | <u>1,111,204</u> | <u>26,412</u> | <u>1,137,616</u> |
| Net assets at end of year | <u>\$ 1,258,423</u> | <u>\$ 61,342</u> | <u>\$ 1,319,765</u> |

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

UNITED WAY OF SOUTH SARASOTA COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended July 31, 2020

(See Independent Auditor's Report)

| | Program Services | Management and General | Fund Raising | Total |
|-----------------------------------|-----------------------------|-----------------------------------|-------------------------|-------------------|
| Salaries, wages and payroll taxes | \$ 13,594 | \$ 66,698 | \$ 61,317 | \$ 141,609 |
| Allocations to agencies | 246,624 | - | - | 246,624 |
| Allocations - other | 9,902 | - | - | 9,902 |
| Contracts: | | | | |
| Management | 137 | 478 | 68 | 683 |
| 2-1-1 | 5,000 | - | - | 5,000 |
| IT | - | 1,940 | - | 1,940 |
| Professional fees | - | 7,700 | - | 7,700 |
| Office, administrative and other | 10,201 | 10,201 | 20,402 | 40,804 |
| Donor development | - | - | 18,015 | 18,015 |
| Bank and credit card fees | - | - | 841 | 841 |
| Telephone and website | 980 | 980 | 1,960 | 3,920 |
| Travel and conferences | 1,867 | - | - | 1,867 |
| Dues - United Way and other | 9,769 | - | - | 9,769 |
| Insurance | 637 | 637 | 1,274 | 2,548 |
| Special event expenses | 30,233 | - | - | 30,233 |
| Depreciation | - | 208 | - | 208 |
| Total Expenses | \$ 328,944 | \$ 88,842 | \$ 103,877 | \$ 521,663 |

The accompanying notes are an integral part of these financial statements

UNITED WAY OF SOUTH SARASOTA COUNTY, INC.
STATEMENT OF CASH FLOWS
For the year ended July 31, 2020

(See Independent Auditor's Report)

| | |
|--|-------------------|
| Cash flows from operating activities: | |
| Increase (decrease) in net assets | <u>\$ 182,149</u> |
| Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities: | |
| Depreciation | 208 |
| Change in pledges receivable - net of doubtful allowance | (8,863) |
| Change in prepaid expenses | 111 |
| Change in beneficial interest in foundation | 5,594 |
| Change in accounts payable | 6,318 |
| Change in allocations payable | <u>(209,376)</u> |
| Total Adjustments | <u>(206,008)</u> |
| Net cash provided (used) by operating activities | <u>(23,859)</u> |
| Cash flows from investing activities: | |
| Change in investments | <u>1,390</u> |
| Net cash provided (used) by investing activities | <u>1,390</u> |
| Net increase (decrease) in cash and equivalents | (22,469) |
| Cash and cash equivalents, beginning of year | <u>410,012</u> |
| Cash and cash equivalents, end of year | <u>\$ 387,543</u> |
| Supplemental Disclosure: | |
| Interest paid | \$ - |

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

UNITED WAY OF SOUTH SARASOTA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

July 31, 2020

(See Independent Auditor's Report)

NOTE 1 - ORGANIZATION

The United Way of South Sarasota County, Inc. (the "Organization") is a not-for-profit organization formed under Internal Revenue Code Section 501(c)(3), located in Venice, Florida. The Organization conducts an annual fund raising campaign on behalf of not-for-profit organizations in Venice, North Port, Nokomis, Laurel, Englewood and Osprey, Florida that provide various health and welfare services to the communities. The Organization evaluates how well the need for services are being met, plans for new services and changes in service levels, and evaluates the efficiency and effectiveness of the agencies it supports.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

New Accounting Pronouncement

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The ASU is effective for the Organization's year ending July 31, 2020 and thereafter and is applied on a retroactive basis. The Organization has adjusted the presentation of these statements accordingly.

Financial Statement Presentation

ASU 2016-14 requires significant changes to the financial reporting model of organizations that follow the not-for-profit reporting model. Under ASU 2016-14, classes of net assets are reduced from three (unrestricted, temporarily restricted, and permanently restricted) to two. In accordance with U.S. generally accepted accounting principles ("US GAAP") the Organization now reports information regarding its financial position and activities according to the following net asset classifications:

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 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 Statement of Activities.

UNITED WAY OF SOUTH SARASOTA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

July 31, 2020

(See Independent Auditor's Report)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions 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.

Pledges Receivable

The Organization records pledges receivable at their net realizable value. At July 31, 2020, the Organization had \$178,181 in pledges receivable, net of the doubtful allowance of \$52,421.

Uncollected Pledges

The Organization maintains an allowance for doubtful pledges based on historical trends and management estimates. When an account is determined uncollectible, it is deducted from accounts receivable and charged against the uncollectible pledge allowance.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Donated Services

Volunteer services are recognized if the services received (a) create or increase non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The Organization had a substantial number of volunteers that donated significant amounts of their time to program services that were not recognized as program revenue and expense since they do not meet the criteria described above.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with an original maturity of three months or less to be cash equivalents.

UNITED WAY OF SOUTH SARASOTA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

July 31, 2020

(See Independent Auditor's Report)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments in marketable securities are recorded at their fair values. Fair value is the net asset value for money market and mutual funds, and the closing sale or bid for bonds and common stock. Realized and unrealized gains and losses are included in revenues on the Statement of Activities.

Property and Equipment

Property and equipment assets are recorded at cost, if purchased, or at estimated fair value at the date of donation, if contributed. Depreciation is computed on a straight-line basis over their estimated useful lives.

Income Tax Status

The Organization has been determined to be an organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Income, if any, from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income.

Functional Expenses

The financial statements report certain categories or expenses that are attributable to both program and supporting functions of the Organization. Accordingly, certain costs have been allocated between program and supporting services benefited. Such allocations are determined by management on an equitable basis.

These allocated costs, along with other expenses that clearly only benefit program functions or only benefit supporting activities, have been summarized on a functional basis on the statement of activities.

Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to credit risk include cash, accounts receivable and investments. The Organization's management attempts to prudently manage cash and cash equivalents and monitors outstanding accounts receivable. Deposit accounts at each commercial banking institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. As of July 31, 2020, the Organization had \$134,083 in uninsured cash balances.

NOTE 3 - FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions.

UNITED WAY OF SOUTH SARASOTA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

July 31, 2020

(See Independent Auditor's Report)

NOTE 3 - FAIR VALUE MEASUREMENTS (Continued)

The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Organization groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1 Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2 Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets/liabilities in active markets;
- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted prices that are observable for the asset/liability; and
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3 Unobservable inputs that cannot be corroborated by observable market data.

The following table sets forth by level, within the fair value hierarchy, The Organization's financial assets measured at fair value on a recurring basis as of July 31, 2020:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|---------------------------|-------------------|----------------|----------------|-------------------|
| Cash and cash equivalents | | | | |
| Checking account | \$ 40,888 | \$ - | \$ - | \$ 40,888 |
| Money market account | 338,892 | - | - | 338,892 |
| PayPal | 7,763 | - | - | 7,763 |
| | <u>387,543</u> | <u>-</u> | <u>-</u> | <u>387,543</u> |
| Investments | 546,043 | - | - | 546,043 |
| | <u>\$ 933,586</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 933,586</u> |

The Organization maintains investment accounts with Fidelity Investments through a local investment advisor, Fourthought Private Wealth, which considers 100% of the funds to be invested in Level 1.

NOTE 4 – RELATED PARTY TRANSACTIONS

A related party, The Foundation of the United Way of South Sarasota County, Inc. (the "Foundation"), was created during the year ended July 31, 2001 for the exclusive benefit of the United Way of South Sarasota County. The Articles of Incorporation of the Foundation state that the United Way of South Sarasota County, Inc. shall select the Board of Directors of the Foundation.

UNITED WAY OF SOUTH SARASOTA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

July 31, 2020

(See Independent Auditor's Report)

NOTE 4 – RELATED PARTY TRANSACTIONS (Continued)

The United Way adopted FAS136 "Transferred Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contribution for Other." FAS136 establishes standards for transactions in which a donor makes a contribution to a not-for-profit organization (recipient) that agrees to transfer those assets to another entity (beneficiary). The statement requires that if the beneficiary and donor are the same, the beneficiary must recognize its interest in the net assets of the recipient organization.

NOTE 5 – THE FOUNDATION OF THE UNITED WAY OF SOUTH SARASOTA COUNTY, INC.

The Foundation's purpose is to raise funds solely for the benefit and support of the United Way of South Sarasota County. Unaudited financial information of The Foundation of the United Way South Sarasota County, Inc. for the year ended July 31, 2020 is summarized as follows:

BALANCE SHEET

| | | |
|--------------|----------------------------|-------------------|
| Assets: | Cash | \$ 86,935 |
| | Endowment fund | 380,709 |
| | Total Assets | <u>467,644</u> |
| Liabilities: | Accrued liabilities | 159 |
| Equity: | Retained earnings | 473,237 |
| | Net income | (5,752) |
| | Total Liabilities & Equity | <u>\$ 467,644</u> |

INCOME STATEMENT

| | | |
|-----------|----------------------------|-------------------|
| Income: | Fundraising - net | \$ 21,746 |
| | Net investment gain (loss) | 8,741 |
| | Total Income | <u>30,487</u> |
| Expenses: | Contributions paid | 19,450 |
| | Payroll expenses | 14,038 |
| | Other | 2,751 |
| | Total Expenses | <u>36,239</u> |
| | Net Income | <u>\$ (5,752)</u> |

The total equity and net income presented above are reflected in these financial statements.

NOTE 6 - IN-KIND CONTRIBUTIONS

The Organization receives in-kind contributions due to receiving below market value rent for the Organization's office space leased from the Loveland Center, Inc. The total in-kind contributions for the year ended July 31, 2020 were \$10,735, including \$9,216 in in-kind rent.

UNITED WAY OF SOUTH SARASOTA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

July 31, 2020

(See Independent Auditor's Report)

NOTE 7 - LEASES

The Organization had a lease for office space located at 157 Havana Road in Venice, Florida that expired on October 15, 2019. The lease was for one dollar (\$1.00) per year. The Organization is currently negotiating to extend the lease. See Note 6 for in-kind rent contribution.

The Organization signed a five-year leasing agreement for office equipment that began July 14, 2020, at a cost of \$213 per month.

Future minimum lease payments are as follows for the years ended July 31,

| | | |
|------------|----|---------------|
| 2021 | \$ | 1,065 |
| 2022 | | 2,556 |
| 2023 | | 2,556 |
| 2024 | | 2,556 |
| Thereafter | | 4,047 |
| | \$ | <u>12,780</u> |

NOTE 8 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at July 31, 2020:

| | | |
|-------------------------------|----|----------------|
| Office equipment | \$ | 8,548 |
| Less accumulated depreciation | | <u>(8,548)</u> |
| Net Property and Equipment | \$ | <u>0</u> |

Depreciation expense for the year ended July 31, 2020 was \$208.

NOTE 9 – LIQUIDITY AND AVAILABILITY

The following table represents the Organization's financial assets at July 31, 2020 reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual or donor restrictions or internal board designations:

| | |
|--|---------------------|
| Operating Reserve Available | |
| Cash and cash equivalents without donor restrictions | \$ 332,715 |
| Pledges receivable, net | 178,181 |
| Prepaid expenses | 626 |
| Investments | <u>546,043</u> |
| Total | <u>\$ 1,057,565</u> |

UNITED WAY OF SOUTH SARASOTA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

July 31, 2020

(See Independent Auditor's Report)

NOTE 9 – LIQUIDITY AND AVAILABILITY (Continued)

The Organization receives contributions and promises to give restricted by donors, and considers contributions restricted for programs that are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that any long-term obligations will be discharged.

NOTE 10 – SUMMARY OF ALLOCATION TO AGENCIES

Agency allocations reflect amounts payable at July 31, 2020 for payment during 2020/2021 less prior year forfeitures plus one-time allocations. The allocations to agencies were as follows:

| | |
|--------------------------------|-------------------|
| Agency Allocations: | |
| Big Brothers/Big Sisters | \$ 9,100 |
| Boys & Girls Clubs | 7,000 |
| Charlotte HIV/Aids CHAPS | 10,500 |
| Child Protection Center | 22,500 |
| Children First | 16,399 |
| Epilepsy Services | 5,000 |
| Family Network on Disabilities | 5,000 |
| Family Promise | 18,000 |
| Florida Center | 19,000 |
| Girl Scouts | 4,500 |
| Good Samaritan Pharmacy | 14,000 |
| Gulfcoast Legal Services | 13,500 |
| Literacy Volunteers | 9,000 |
| Loveland Center | 15,000 |
| North Port Meals on Wheels | 30,000 |
| Salvation Army | 9,125 |
| Senior Friendship Center | 6,500 |
| SPARCC | 3,500 |
| Teen Court | 4,000 |
| Venice Area Mobile Meals | 4,000 |
| YMCA | <u>21,000</u> |
| Total Agency Allocations | 246,624 |
| Total One-Time Allocations | <u>9,902</u> |
| Total Allocations | <u>\$ 256,526</u> |

UNITED WAY OF SOUTH SARASOTA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

July 31, 2020

(See Independent Auditor's Report)

NOTE 11 – RESTRICTIONS ON NET ASSETS

Donor restrictions on net assets as of July 31, 2020 consisted of the following:

| | |
|-----------------------------------|------------------|
| Covid-19 Assistance | \$ 29,729 |
| Publix Emergency Fund | <u>31,613</u> |
| Total Donor Restricted Net Assets | <u>\$ 61,342</u> |

NOTE 12 – PAYCHECK PROTECTION PROGRAM ACCOUNTING

The Organization received funds of \$26,289 from the Paycheck Protection Program in April 2020. The accounting for these funds are recorded in accordance with IAS 20. IAS 20 Indicates a forgivable loan is treated as a government grant and recognized as income when there is reasonable assurance that the entity will meet the terms of forgiveness of the loan. Management believes this reasonable assurance has been met. In fiscal year 2019-2020, \$26,289 was reported as income, with the proceeds spent as follows: \$25,470 on employee costs and \$819 on utilities.

NOTE 13 - TAX RETURN STATUS

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore has no provision for income taxes.

Under federal and state income tax laws, an entity's income tax returns are subject to examination by the applicable taxing authorities. The time period during which a return may be selected for examination generally ends at the later of three years after the initial due date of the return or three years after the return is filed. At July 31, 2020, the Organization's federal returns filed for the fiscal years ending in 2017, 2018 and 2019 remain open for examination by the Internal Revenue Service.

NOTE 14 – INVESTMENT INCOME

The Organization had net investment income from investment in securities that totaled \$8,610 for the fiscal year ending July 31, 2020. Net investment income was comprised of:

| | |
|--|-----------------|
| Interest and dividends | \$ 11,070 |
| Realized gains (losses) on investments | (11,798) |
| Unrealized gains (losses) on investments | 11,911 |
| Investment advisory fees | <u>(2,573)</u> |
| Total | <u>\$ 8,610</u> |

NOTE 15 - SUBSEQUENT EVENTS

In accordance with FASB Accounting Standards Codification 855, Subsequent Events, the Organization has evaluated subsequent events to the Statement of Financial Position date of July 31, 2020 through November 23, 2020 (the date the financial statements were available to be issued) for potential recognition and disclosure. Management has determined that there are no subsequent events that require disclosure.