

UNITED WAY OF SUWANNEE VALLEY, INC.

FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2019



Powell & Jones
Certified Public Accountants

UNITED WAY OF SUWANNEE VALLEY, INC.

FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2019

TABLE OF CONTENTS

	PAGE NO.
Basic Financial Statements	
Independent Auditor's Report	4 - 5
Statement of Financial Position	6
Statement of Activities	7
Statement of Functional Expenses	8 - 9
Statement of Cash Flows	10 - 11
Notes to Financial Statements	12 - 17
Compliance Section	
Schedule of Expenditures of Federal Awards and State Financial Assistance	19
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	20
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 <i>Government Auditing Standards</i>	21 - 22
Management Letter	23
Communication with Those Charged with Governance	24 - 25

BASIC FINANCIAL STATEMENTS



Powell & Jones
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Way of Suwannee Valley, Inc.
Lake City, Florida

We have audited the accompanying financial statements of the United Way of Suwannee Valley, Inc., a non-profit 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 fiscal 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 and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness or 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 Suwannee Valley, Inc. as of June 30, 2019, 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.

Other Matters

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2018, on our consideration of United Way of Suwannee Valley, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 United Way of Suwannee Valley's internal control over financial reporting and compliance.



POWELL & JONES

Certified Public Accountants

October 8, 2019

UNITED WAY OF SUWANNEE VALLEY, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2019

ASSETS

Current assets	
Cash and cash equivalents	\$ 644,496
Cash and cash equivalents, with donor restrictions	28,511
Contributions receivable, net	145,546
Accounts receivable	755
Due from governments	125,882
Prepaid expenses	7,726
Deposits	305
Total current assets	<u>953,221</u>
Long term assets	
Building and land	385,000
Building improvements	82,214
Equipment	53,240
Less: accumulated depreciation	(87,798)
Total long term assets	<u>432,656</u>
Total assets	<u>\$ 1,385,877</u>

LIABILITIES

Current liabilities	
Accounts payable	\$ 18,908
Accrued expenses	17,880
Accrued compensated absences	1,135
Deferred revenue	3,229
Total current liabilities	<u>41,152</u>
Long term liabilities	
Accrued compensated absences	3,408
Total long term liabilities	<u>3,408</u>
Total liabilities	<u>44,560</u>

NET ASSETS

Without donor restrictions	1,212,932
With donor restrictions	128,385
Total net assets	<u>1,341,317</u>
Total liabilities and net assets	<u>\$ 1,385,877</u>

See notes to financial statements.

UNITED WAY OF SUWANNEE VALLEY, INC.
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
OPERATING ACTIVITIES			
REVENUE AND OTHER SUPPORT			
Campaign revenue, net	\$ 358,855	\$ -	\$ 358,855
Governmental grants	892,793	-	892,793
Other grants	6,863	43,500	50,363
Investment income	2,314	-	2,314
Fundraising	796	-	796
Events	778	-	778
Conferences	387	-	387
Donations	-	25,000	25,000
Rental income	9,600	-	9,600
Miscellaneous income	2,086	-	2,086
Total revenue and other support	<u>1,274,472</u>	<u>68,500</u>	<u>1,342,972</u>
EXPENSES			
Program services			
Deprecation expense	10,395	-	10,395
Grant expenses	748,798	43,780	792,578
Insurance expense	8,679	-	8,679
Membership dues expense	9,973	-	9,973
Office expenses	557	-	557
Occupancy	12,818	-	12,818
Printing expense	2,102	-	2,102
Personnel services expense	382,449	-	382,449
Repairs	2,449	-	2,449
Travel expenses	147	-	147
Total program expenses	<u>1,178,367</u>	<u>43,780</u>	<u>1,222,147</u>
Supporting services			
Deprecation expense	6,777	-	6,777
Insurance expense	1,111	-	1,111
Micellaneous expense	15,395	-	15,395
Office expenses	6,829	-	6,829
Personnel services expense	92,732	-	92,732

(Continued)

UNITED WAY OF SUWANNEE VALLEY, INC.
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
Professional services expense	\$ 5,000	\$ -	\$ 5,000
Repairs	5,575	-	5,575
Travel expenses	11,388	-	11,388
Total supporting service expense	<u>144,807</u>	<u>-</u>	<u>144,807</u>
Total expenses	<u>1,323,174</u>	<u>43,780</u>	<u>1,366,954</u>
Change in net assets from operating activities	(48,702)	24,720	(23,982)
Net assets, beginning of year	<u>1,261,634</u>	<u>103,665</u>	<u>1,365,299</u>
Net assets, end of year	<u>\$ 1,212,932</u>	<u>\$ 128,385</u>	<u>\$ 1,341,317</u>

See notes to financial statements.

UNITED WAY OF SUWANNEE VALLEY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Fiscal Year Ended June 30, 2019

	Program Services									
	United Way Community Service	HUD HMIS	Emergency Solutions Grant	Continuum of Care Planning	Homeless Services Network	Coordinated Entry	Rapid Rehousing	Challenge Grant	Long Term Recovery	
Personnel services										
Salaries and wages	\$ 177	\$ 11,466	\$ 28,485	\$ 6,990	\$ 53,511	\$ 40,512	\$ 14,220	\$ 21,774	\$ 206	
Employee benefit	125	8,245	14,841	646	19,830	17,726	7,826	8,901	28	
Payroll taxes	14	374	2,373	1,608	6,290	1,887	79	17	98	
Total personnel services	316	20,085	45,699	9,244	79,631	60,125	22,125	30,692	332	
Operating expenses										
Grant expense	-	18,810	219,585	-	21,692	6,987	59,210	106,597	6,990	
Distributions	-	-	-	-	-	-	-	-	-	
Supplies	-	-	-	-	-	-	-	-	-	
Repairs	-	-	-	-	-	-	-	-	-	
Telephone	-	-	-	-	-	-	-	-	-	
Postage and shipping	557	-	-	-	-	-	-	-	-	
Insurance	-	320	1,518	136	1,157	799	576	796	-	
Rental and maintenance of equipment	-	44	301	17	735	236	57	211	13	
Occupancy	-	956	2,002	308	1,986	1,300	879	1,027	-	
Printing and publications	2,102	-	-	-	-	-	-	-	-	
Travel/training	147	-	-	-	-	-	-	-	-	
Conferences, conventions and meetings	-	-	-	-	-	-	-	-	-	
Professional fees	-	-	-	-	-	-	-	-	-	
Membership dues	9,973	-	-	-	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	-	-	-	-	
Total operating expenses	12,779	20,130.00	223,406	461	25,570	9,322	60,722	108,631	7,003	
Total expenses before depreciation	13,095	40,215	269,105	9,705	105,201	69,447	82,847	139,323	7,335	
Depreciation	-	-	1,402	117	1,518	1,635	1,518	1,752	-	
Total expenses	\$ 13,095	40,215	\$ 270,507	\$ 9,822	\$ 106,719	\$ 71,082	\$ 84,365	\$ 141,075	\$ 7,335	

(Continued)
See notes to financial statements.

UNITED WAY OF SUWANNEE VALLEY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Fiscal Year Ended June 30, 2019

	Homeless Prevention	PATH	Program Services				Supporting Services		Totals
			Reading Pals	Anonymous Grant	Direct Client Assistance	Agency Funding	General and Administrative		
Personnel services									
Salaries and wages	\$ 10,756	\$ 63,109	\$ 16,881	\$ 3,759	\$ 377	\$ -	\$ 88,456	\$ 360,679	
Employee benefit	3,426	2,936	1,852	3,154	6	-	-	89,542	
Payroll taxes	2,189	3,807	980	918	50	-	4,276	24,960	
Total personnel services	16,371	69,852	19,713	7,831	433	-	92,732	475,181	
Operating expenses									
Grant expense	25,412	40,170	17,511	4,886	11,424	-	-	539,274	
Distributions	-	-	-	-	-	253,304	-	253,304	
Supplies	-	-	-	-	-	-	6,327	6,327	
Repairs	-	-	-	-	-	-	1,918	1,918	
Telephone	-	-	-	-	-	-	502	502	
Postage and shipping	-	-	-	-	-	-	-	557	
Insurance	184	2,718	475	-	-	-	1,111	9,790	
Rental and maintenance of equipment	54	464	317	-	-	-	3,657	6,106	
Occupancy	357	4,003	-	-	-	-	-	12,818	
Printing and publications	-	-	-	-	-	-	-	2,102	
Travel/training	-	-	-	-	-	-	4,148	4,295	
Conferences, conventions and meetings	-	-	-	-	-	-	7,240	7,240	
Professional fees	-	-	-	-	-	-	5,000	5,000	
Membership dues	-	-	-	-	-	-	-	9,973	
Miscellaneous	-	-	-	-	-	-	15,395	15,395	
Total operating expenses	26,007	47,355	18,303	4,886	11,424	253,304	45,298	874,601	
Total expenses before depreciation	42,378	117,207	38,016	12,717	11,857	253,304	138,030	1,349,782	
Depreciation	-	1,869	584	-	-	-	6,777	17,172	
Total expenses	\$ 42,378	\$ 119,076	\$ 38,600	\$ 12,717	\$ 11,857	\$ 253,304	\$ 144,807	\$1,366,954	

Continued from previous page.
See notes to financial statements.

UNITED WAY OF SUWANNEE VALLEY, INC.
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Support and revenues collected	
Campaign revenue, net	\$ 371,360
Government grants	905,215
Other grants	59,208
Investment income	2,314
Donations	25,000
Fundraising	796
Events	778
Conferences	387
Rental income	9,600
Miscellaneous income	2,086
Payments for expenses	
Compensation and related benefits	(470,712)
Suppliers and charitable expenses	(884,419)
Net cash provided by operating activities	<u>21,613</u>
 Net increase in cash and cash equivalents	 21,613
 Cash and cash equivalents, beginning of year	 <u>651,394</u>
Cash and cash equivalents, end of year	<u>\$ 673,007</u>
 Cash and cash equivalents, classified as	
Current assets	\$ 644,496
Restricted assets	28,511
Total cash and cash equivalents	<u>\$ 673,007</u>
 RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Change in net assets	<u>\$ (23,982)</u>
 Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	17,172
Decrease in prepaid expenses	6,860
Decrease in contributions receivable	12,505
Decrease in accounts receivable	8,845
Decrease in due from governments	66,247
Decrease in deferred revenue	(53,825)
Decrease in accounts payable	(16,678)
Increase in accrued expenses	3,788
Increase in compensated absences	681
Total adjustments	<u>45,595</u>
Net cash provided by operating activities	<u>\$ 21,613</u>

See notes to financial statements

UNITED WAY OF SUWANNEE VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The United Way of Suwannee Valley, Inc. (the Organization) is a non-profit voluntary health and welfare organization that receives funding in the form of contributions from individuals and businesses and intergovernmental grants. The Organization provides funds to approved health and welfare organizations, and through grant funding, aids needy individuals in the Suwannee Valley Basin which includes Columbia, Suwannee, Lafayette and Hamilton counties.

Basis of Presentation

The financial statements of United Way of Suwannee Valley, Inc. (the Organization) have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards (FASB) Accounting Standards Codification (ASC), dated August, 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA). "Audit and Accounting Guide for Not-for-Profit Organizations" (the Guide). (ASC) 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified 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. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

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 Non-Profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

All assets and all liabilities associated with the operation of the Organization are included on the Statement of Financial Position.

The costs of providing the various programs and other activities have been detailed in the Statement of Functional Expenses and summarized on a functional basis in the Statement of Activities. Salaries and other expenses which are associated with specific program are charged directly to that program. Salaries and other expenses which benefit more than one program are allocated to the various programs based on the relative benefit provided.

Contributions

Unconditional contributions are recognized when pledged and 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. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor-stipulations that limit the use of the donated assets.

When a restriction expires, that is when a stipulated time restriction ends or a 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. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions support. Donations of property and equipment are recorded as support at their estimated fair value at the end date of donation. Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without donor restriction upon acquisition of the assets and the assets are placed in service.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash consists of cash in banks in the form of checking and money market funds. Temporarily restricted cash of \$28,511 was held at June 30, 2019 for a building fund. Cash and cash equivalents are 100% FDIC insured as of June 30, 2019.

Deferred Revenue

The Organization reports deferred revenue, if applicable, on its statement of financial position. Deferred revenues arise when resources are received by the Organization before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when revenue recognition criteria are met, or when the Organization has a legal claim to due resources, the liability for deferred revenue is removed from the statement of financial position and revenue is recognized.

Property and Equipment

Capital items consist of land, building improvements, equipment and furnishings. Such items have been capitalized if purchase cost is greater than \$500. Donated items have been capitalized at fair market value at time of donation. Depreciation is recognized using the straight-line method over the their estimated useful lives.

Accrued Compensated Absences

The Organization accrues accumulated unpaid vacation leave when earned by the employee.

Revenue Recognition

The Organization's primary revenue is derived from campaign contributions and grant contracts. These revenues are recognized on the accrual basis.

Contributed Services and Facilities

During the year ended June 30, 2019, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded in the financial statements. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization in planning and conducting United Way affairs. Approximately \$122,290 in volunteer time was donated by various individuals. These either gave their time/services voluntarily or they were required to volunteer under a community service court-order or to fulfill a graduation requirement. This amount does not meet the criteria for recognition in the financial statements and accordingly has not been recorded.

Income Taxes

The Organization is not a private foundation and is exempt from income tax under Internal Revenue Code section 501(c)(3). As such no provision for income tax is reflected in these financial

statements. As required by Internal Revenue Service regulations, the Organization annually files a Form 990, "Return of Organization Exempt from Income Tax," with the Internal Revenue Service. The returns for 2019, 2018 and 2017 are subject to review and adjustment by the Internal Revenue Service.

Pervasiveness of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from estimates.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operation and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing activities. Non-operating activities are limited to resources that generate return from investments, endowment, contributions, financing costs, and other activities considered to be of a more unusual nonrecurring nature.

NOTE 2. PROMISES TO GIVE (CONTRIBUTIONS) RECEIVABLE

Contributions receivable at June 30, 2019, consist of the following:

	<u>Without donor Restrictions</u>
2018-19 Campaign Year	\$ 177,058
Less allowance for uncollectible pledges	<u>(31,512)</u>
	<u>\$ 145,546</u>

All amounts are due within one year. Contributions receivable are stated at fair value utilizing significant unobservable inputs (level 3 of the fair value hierarchy).

NOTE 3. PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	<u>Cost</u>	<u>Years of life</u>
Furniture and equipment	\$ 53,240	5
Land and building improvements	467,214	40
Less accumulated depreciation	<u>(87,798)</u>	
	<u>\$ 432,656</u>	

Depreciation expense for the year was \$17,172.

NOTE 4. NET ASSETS WITH DONOR RESTRICTIONS

Donor restricted net assets consist for the following purposes as of June 30, 2019:

Subject to expenditure for specified purpose:

Grants	
Early learning support	\$ 99,094
Assistance to individuals	780
Improvements	
Building funds	<u>28,511</u>
Total net assets with donor restrictions	<u>\$ 128,385</u>

NOTE 5. PENSION PLAN AND OTHER BENEFITS

Eligible full time employees receive a benefit stipend of \$50 per pay period totaling \$1,300 annually, which they can opt to use for medical benefits or contributions to the retirement plan.

The Organization has adopted a tax sheltered retirement plan exempt under Section 403(b) of the Internal Revenue Code. The plan is considered a supplemental plan and only accepts elective employee salary deferrals. The plan meets the requirements to be exempt from the Employee Retirement and Income Security Act of 1974. The plan is administered by the Organization through a contractual agreement with a servicing company.

The Organization has adopted a new health insurance plan covering 100% of the premium of the covered employees as well as 70% of spouse and family coverage. Employees also may elect to have additional amounts withheld out of their paychecks to pay for AFLAC benefits.

NOTE 6. COST ALLOCATIONS

The Organization records costs that can be directly identified as benefiting a specific funding stream as direct expenses of the related program. Certain costs which are directly shared, have been allocated to programs based upon the relative benefits received. The following is a table of cost allocation methodologies for expenditures which are allocated:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and benefits	Time and effort
Facilities and Costs	Full time employees located in the facilities
Staff training, dues, subscriptions, consultants, insurance, travel supplies and other expenses	Allocated directly to the benefiting program or based on relative benefit to programs
Equipment	Charged directly of directly allocated to benefiting programs

NOTE 7. CONTINGENCIES AND COMMITMENTS

Contingencies - There is a contingent liability due to the fact that all possible regulatory audits of the Organization have not been fully completed for the year ended June 30, 2019. Under provisions of the funding agreements, any eventual expenditures determined to be not in compliance with grant regulations could be subject to repayment by the Organization. The Organization's administration believes that all expenditures were significantly in compliance with appropriate grant regulations.

Operating Leases - The Organization has one operating lease with non-cancelable terms for office equipment. The future minimum lease payments for this lease at June 30, 2019 are as follows:

<u>June 30</u>	<u>Minimum Lease Payments</u>
2020	\$2,518
2021	2,518
2022	629
	<u>\$5,665</u>

Rental expense for the year ended June 30, 2019 was \$3,540.

NOTE 8. CONCENTRATION OF CREDIT RISK

Financial instruments which subject the Organization to concentrations of credit risk consist primarily of cash and cash equivalents in local banks which may at times exceed the FDIC limits. At June 30, 2019, the total bank balances were \$672,982 of which all was covered by federal depository insurance.

NOTE 9. RISK MANAGEMENT

The Organization is exposed to various risk of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Organization carries insurance. Insurance against losses are provided through various commercial insurers for the following types of risk:

- Workers' Compensation and Employer's Liability
- General and Professional Liability
- Personal Property Damage
- Directors' and Officers' Liability
- Automobile Insurance

The Organization's coverage for workers' compensation is under a retrospectively rated policy. Premiums are accrued based on the ultimate cost-to-date of the Organization's experience for this type of risk.

NOTE 10. INVENTORIES

It has consistently been the policy of the Organization to record acquisition of goods and supplies as expenditures at the time of purchase. The amount of such inventory on hand at any one time would be a nominal amount and considered to be immaterial.

NOTE 11. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used to estimate fair value of each class of financial instruments for which it is feasible to estimate that value:

- Cash, Accounts Receivable, and Accounts Payable - Carrying amount approximates fair value due to the short maturity of these financial instruments.

At June 30, 2019, the Organization had no assets or liabilities subject to disclosure of fair value measurements per FASB Statement No. 157.

NOTE 12. SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 8, 2019, the date the financial statements were available to be issued.

NOTE 13. LIQUIDITY

United Way of Suwannee Valley, Inc.'s financial assets available within one year of the balance sheet date for general expenditures are as follows:

Cash and cash equivalents	\$ 673,007
Contribution and accounts receivable	146,301
Grants receivable	125,882
	<u>\$ 945,190</u>

As part of United Way of Suwannee Valley, Inc.'s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization invests cash in excess of daily requirements in short-term investments.

NOTE 14. 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 addressed the complexity and understandability of net asset classification, deficiencies in information about liquidity and expense and investment return. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

COMPLIANCE SECTION

UNITED WAY OF SUWANNEE VALLEY, INC.
SCHEDULE OF EXPENDITURES FOR FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the fiscal year ended June 30, 2019

Program	CFDA #	Grant Number	Award Amount	Reported in Prior Year	Revenue		Expenditures Recognized
					Receivable (Deferred)	Revenue Recognized	
FEDERAL AWARDS							
U.S. Department of Health and Human Services							
Passed through Lutheran Services of Florida, Inc.							
Projects for Assistance in Transition from Homelessness	93.150	LS049	\$ 511,044	\$ 127,761	\$ 13,151	\$ 135,084	\$ 135,084
U.S. Department of HUD							
Continuum of Care Program - Coordinated Entry Grant	14.267	FL0646L4H181600	85,000	-	5,578	71,537	71,537
Continuum of Care Program - Rapid Rehousing Grant	14.267	FL0647L4H181600	77,372	11,020	-	30,766	30,766
Continuum of Care Program - Rapid Rehousing Grant	14.267	FL0646L4H181701	69,812	-	7,006	52,765	52,765
Continuum of Care Program - Planning Grant	14.267	FL0648L4H181600	10,408	5,357	-	5,051	5,051
Continuum of Care Program - Planning Grant	14.267	FL0699L4H181700	10,784	-	1,613	2,356	2,356
Homeless Management Information System	14.235	FL0158L4H181710	32,146	2,977	-	-	-
Homeless Management Information System	14.235	FL0158L4H181710	32,146	-	-	32,146	32,146
Passed through Florida Department of Children and Families							
Emergency Solutions Grant	14.231	CP001	272,500	-	46,155	271,561	271,561
Total federal awards			<u>1,101,212</u>	<u>147,115</u>	<u>73,503</u>	<u>601,266</u>	<u>601,266</u>
STATE FINANCIAL ASSISTANCE							
Florida Department of Children and Families							
Homeless Services Network	60.014	CP001	107,143	-	17,857	107,143	107,143
Homeless Challenge grants	60.014	CP001	205,500	-	28,677	141,902	141,902
Homeless Prevention grants	60.014	CP001	42,500	-	5,818	42,482	42,482
Total state financial assistance			<u>355,143</u>	<u>-</u>	<u>52,352</u>	<u>291,527</u>	<u>291,527</u>
Total state and federal financial assistance			<u>\$ 1,456,355</u>	<u>\$ 147,115</u>	<u>\$ 125,855</u>	<u>\$ 892,793</u>	<u>\$ 892,793</u>

See notes to the schedule of expenditures of federal awards and state financial assistance

UNITED WAY OF SUWANNEE VALLEY, INC.

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

For the Fiscal Year Ended June 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and presentation of the Schedule of Expenditures of Federal Awards and State Financial Assistance of the United Way of Suwannee Valley, Inc. (the Organization) have been designed to conform to generally accepted accounting principles as applicable to non-profit organizations, including the reporting and compliance requirements of the Audits of States, Local Governments, and Non-Profit Organizations and Office of Management and Budget Uniform Guidance.

A. Reporting Entity

This reporting entity consists of the United Way of Suwannee Valley, Inc. The Organization includes a Schedule of Expenditures of Federal Awards and State Financial Assistance in the Compliance Section for the purpose of additional analysis.

B. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus.

The accrual basis of accounting is followed in the Schedule of Expenditures of Federal Awards and State Financial Assistance. Under the accrual basis, revenues are recognized when they are earned. Expenses generally are recorded when a liability is incurred.

C. Grant Awards

Federal and State grant awards drawn and expended during the year are included in the Schedule of Expenditures of Federal Awards and State Financial Assistance.

**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 Suwannee Valley, Inc.
Lake City, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of United Way of Suwannee Valley, Inc. (a nonprofit 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 October 8, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered United Way of Suwannee Valley, Inc.'s internal control over financial reporting (internal control) 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 United Way of Suwannee Valley, Inc.'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, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify the following deficiency in internal control that we consider to be a significant deficiency.

2012-1

Financial Statement Preparation

A system of internal control over financial reporting includes controls over financial statement preparation, including footnote disclosures. While your auditor can assist with the preparation of your financial statements and related footnotes, the financial statements are the responsibility of management. A deficiency in internal control exists when the Organization does not have the expertise necessary to prevent, detect, and correct misstatements. A deficiency in internal control exists in instances where the Organization is not capable of drafting the financial statements and

all required footnote disclosures in accordance with generally accepted accounting principles. Possessing suitable skill, knowledge, or experience to oversee services an auditor provides in assisting with financial statement presentation requires a lower level of technical knowledge than the competence required to prepare the financial statements and disclosures.

MANAGEMENT'S RESPONSE

We agree with this finding. We are a very small Organization and have used our available resources to employ a competent bookkeeper who maintains excellent accounting records and provides accurate monthly financial reports prepared generally on the cash basis. We likewise have confidence in our audit firm to utilize these records and prepare annual financial statements in the required formats and with all associated note disclosures. The Board of Directors reviews the annual financial reports and have the opportunity to ask the auditor any questions regarding the report prior to its formal presentation. The report is formally presented by the auditor at a scheduled meeting of the Board of Directors.

At this time, we do not believe it would be a justifiable expense to employ another accountant on either a part-time or full-time basis to prepare the annual financial statements. We thus accept this required disclosure finding and will continue to monitor this situation in the future.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether United Way of Suwannee Valley, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 Organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



POWELL & JONES
Certified Public Accountants
October 8, 2019

MANAGEMENT LETTER

To the Board of Directors of
United Way of Suwannee Valley, Inc.

We have audited the financial statements of United Way of Suwannee Valley, Inc. as of and for the year ended June 30, 2019, and have issued our report thereon dated October 8, 2019.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Report on Internal Control over Financial Reporting and on Compliance and Other Matter Based on an Audit of Financial Statements in Accordance with *Government Auditing Standards*. Disclosures in those reports, which are dated October 8, 2019, should be considered in conjunction with this management letter.

PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

CONCLUSION

We very much enjoyed the challenges and experiences associated with this year's audit of the Organization. We appreciate the helpful assistance and courtesy afforded us by the employees and look forward to working with you in the future.



POWELL & JONES
Certified Public Accountants
October 8, 2019

Communication with Those Charged with Governance

To the Board of Directors
United Way of Suwannee Valley, Inc.

We have audited the financial statements of United Way of Suwannee Valley, Inc. for the year ended June 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by United Way of Suwannee Valley, Inc. are described Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2019. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There are no sensitive estimates affecting United Way of Suwannee Valley, Inc.'s financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There are no sensitive disclosures affecting the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no such misstatements identified during our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 8, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of United Way of Suwannee Valley, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Powell & Jones".

POWELL & JONES
Certified Public Accountants
October 8, 2019