

United Way Worldwide

Town of Palm Beach United Way, Inc.

**2020 Membership Certification**

- Both the Board Chair and Chief Executive Officer must sign and submit this form. If your United Way does not have a CEO, a second officer must also sign.
- Answer all questions and provide an explanation for any “no” answers.
- Responses will be kept confidential and will only be shared with essential volunteers and staff of United Way Worldwide.
- Guidance on completion of this certification is available on United Way Online.

As stated in United Way Worldwide’s bylaws, United Ways will refrain from taking any actions or conducting activities likely to damage the welfare, interests, or reputations of the United Way system. United Ways will also meet the following requirements.

Does your United Way have paid employees? Yes

Note: Some questions in this certification apply only to United Ways with paid employees. Your response helps identify applicable questions.

Requirement A: Tax-Exempt Status and Completion of the IRS Form 990

Is your United Way recognized as exempt from taxation under Section 501(c)(3) of the Internal Revenue Code as well as from corresponding provisions of other applicable state, local and foreign laws or regulations?	Yes
1. Did your United Way file the IRS Form 990, or 990-EZ or 990-N, in a timely manner (within ten and a half months of last fiscal year end)?	Yes
2. Date the LAST IRS Form 990 submitted to IRS:	11/07/2019
3. What version of the IRS Form 990 was most recently filed?	990
4. Have you followed the <i>UWW Implementation Standards for Membership Requirement A</i> in completing the IRS Form 990?	Yes
5. Was a copy of the IRS Form 990 provided to the organization’s governing body before it was filed?	Yes
6. Is your United Way properly classified as a public charity as evidenced by checking box 7 on Part 1 of Schedule A of the IRS Form 990?	Yes
7. For the prior fiscal year, did the organization become aware of a material diversion of the organization’s assets? <i>Please provide an explanation for a “YES” response to this question. Per the IRS, a material diversion (e.g., unauthorized use of organizational assets) is more than 5% of gross annual receipts or more than \$250,000, whichever is less. Report all material diversions of assets to membership@unitedway.org for review, advice and counsel.</i>	No No explanation needed for your “No” response
8. Is the compensation for the top management official (e.g., CEO, executive director) and top financial official (e.g., chief financial officer) reported as required on the IRS Form 990?	Yes
9. Does your United Way make the IRS Form 990 (990 E-Z or 990-N) available to the public?	Yes

Requirement B: Legal Requirements

Does your United Way comply with all applicable legal, local, state, and federal operating and reporting requirements (e.g., nondiscrimination)?	Yes
1. In the last 12 months, have there been any government agency led investigations of your United Way for violations of local, state, or federal laws? <i>Please provide an explanation for a “Yes” response to this question.</i>	No No explanation needed for your “No” response
2. Since January 1, 2019, has your organization amended its articles of incorporation and filed them with the Secretary of State’s office in your state? <i>Please provide an explanation for a “Yes” response to this question.</i>	No Change No explanation needed for your “No Change” response
3. Does your United Way conduct anti-terrorism compliance measures?	Yes
4. Does your United Way comply with provisions of Sarbanes-Oxley applicable to nonprofit corporations (whistleblower protection and implementation of document retention and destruction policies)?	Yes
5. Does your organization promote itself as an equal opportunity employer?	Yes
6. Is your United Way currently registered to conduct charitable solicitations at the state and local level? <i>A response is not required if not applicable to your United Way.</i>	Yes

7. Is your United Way compliant with all provisions of the Fair Labor Standards Act?	Yes
8. Has your United Way adopted a policy that confirms the organization's commitment to providing an environment free from sexual harassment, including a commitment to investigate credible allegations? <i>This policy must apply to United Way board members, volunteers and employees (if any).</i>	Yes
<i>All organizations, including nonprofits, must maintain data using secure systems, policies and procedures. The following questions reflect Federal laws as well as best practices to safeguard sensitive information. Please consult the United Way Information Security page on United Way Online (https://online.unitedway.org/infosec) for more guidance on the questions below.</i>	
9. Has your United Way established a donor and data privacy policy? <i>These policies typically include what information is collected and for what purposes, how the information protected, how and/or when it is disclosed to third parties, and how changes to the privacy policy will be communicated. Best practice includes posting the policy to your website and establishing a simple method for individuals to inquire about their personal data.</i>	Yes
10. Has your United Way established a data security risk assessment program? <i>These programs evaluate reasonable foreseeable threats that could result in unauthorized disclosure, misuse, alteration or destruction of donor/volunteer information; the likelihood and potential damage of threats; and the sufficiency of policies, procedures, customer information systems, and other controls. Best practices also include creating an incident response plan, identifying professionals responsible for data security and privacy, staff training on security/privacy, and cyber insurance.</i>	Yes
11. In the past 12 months, has your United Way experienced an incident that was deemed to be a data breach? <i>Data breaches must be reported to United Way Worldwide, via an email to membership@unitedway.org, where they will be forwarded to UWW's Information and Technology staff for review, advice and counsel.</i>	No No explanation needed for your "No" response

Requirement C: Governance

Does your United Way have an active, responsible, and voluntary governing body which ensures effective governance over the policies and financial resources of the organization?	Yes
1. Does the board approve the annual budget?	Yes
2. Does the board, or board-delegated committee, review financial statements on at least a quarterly basis?	Yes
3. Does your United Way regularly provide training (e.g., onboarding, access to conferences, webinars, outside speakers) to governing board members?	Yes
4. Does your United Way produce an annual report?	Yes
5. Does your United Way's governing board review its bylaws and other governance documents at least once every three years?	Yes
6. Are meeting minutes maintained for all governing board meetings?	Yes
7. Does your United Way have a board-approved business expense reimbursement policy?	Yes
8. Does your board meet at least quarterly?	Yes
9. Is the external auditor engaged by and working for the board or board-appointed committee?	Yes
10. Does your board review the external annual audit (or financial review if annual revenue is less than \$500,000), and is the audit (or review) presented to the board by the auditor or audit committee chair?	Yes
11. Did the board approve the process for determining the CEO's compensation (e.g., type of comparability data, independent members of the board reviewing and approving CEO compensation)?	Yes
12. Did the board specifically set and approve the CEO's compensation?	Yes
13. Does your board establish performance expectations for the CEO annually and have a written performance review process in place to guide and assess the performance?	Yes
14. Does the board proactively support, engage and drive fundraising efforts year-round to ensure adequate resources for your United Way?	Yes

15. Does the board regularly (at minimum once every three years) self-assess to ensure the organization, CEO (if any), and the board are working on the most relevant, mission-critical issues?	Yes
16. Does your board have a process to identify and recruit well-qualified board members to ensure inclusive and sustainable United Way leadership?	Yes
17. Does your organization have a written board member agreement that outlines expectations of service? <i>These agreements include sections on board member duties (duty of care, duty of loyalty, duty of obedience), the organization's values, expectations for fundraising and personal giving, participation on committees, meeting attendance, and confidentiality requirements. Consider including a commitment to support a trusting environment free of harassment, intimidation, and unlawful discrimination. Best practice includes confirmation of what the organization provides to the board (protection from liability through D&O insurance coverage, accurate and timely reports and meeting materials, recognition for service).</i>	Yes

Requirement D: Diversity & Inclusion

Does your United Way adhere to a locally developed and adopted statement to ensure volunteers and staff broadly reflect the diversity of the community it serves?	Yes
1. Does your board review the organization's diversity statement at least once every two years?	Yes
2. Does your board review, at least once every two years, a report of the board, volunteers and staff composition to ensure diversity is achieved?	Yes
<i>Diversity and inclusion are at the heart of what it means to LIVE UNITED. To effectively and authentically address our communities' most pressing needs requires an outward and intentional commitment to equity and inclusion across all dimensions (race, age, gender, sexual orientation, gender identity, national origin, religion, physical or mental ability, etc.). The following questions, while not required, highlight best practices and are opportunities to consider the value of adopting new practices and policies and engaging the community in the process.</i>	
3. Is your United Way's commitment to diversity and inclusion displayed prominently on your website (either on the home page or on a link directly from the home page)?	Yes
4. Has your board and senior management created and executed a strategic plan that reflects a commitment to diversity, equity, and inclusion?	No
5. Does your staff and board possess an emergent understanding of the race disparities that exist among the populations in your community? <i>Increasingly United Ways must examine race disparities as part of their commitment to diversity and equity.</i>	Yes

Requirement E: Trademark

Does your United Way represent itself as a United Way in accordance with all United Way Worldwide trademark standards and requirements, including those contained in the licensing agreement?	Yes
1. Does your organization's name include a geographic modifier (e.g., United Way of XYZ County), and is the full corporate name included in public advertising (e.g., broadcast, print, electronic, email, social media, website)?	Yes
2. Does your United Way follow United Way brand identity guidelines in all respects?	Yes
3. Does your United Way only solicit businesses located in your zip codes on file at United Way Worldwide (GiftLink)?	Yes
4. Does your United Way limit its workplace solicitations to individuals who work at facilities in your zip codes on file at UWW?	Yes
5. Does your United Way limit its non-workplace solicitations of individuals to your zip codes on file at UWW (e.g., home addresses in your United Way's territory, special events in your United Way's territory)?	Yes

Requirement F: Membership Investment

Does your United Way provide financial support to United Way Worldwide in accordance with the membership investment formula?	Yes
1. Will 2020 membership investment be paid in quarterly installments and in full no later than December 31, 2020?	Yes

Requirement G: Code of Ethics

Does your United Way adhere to a locally developed and adopted code of ethics for volunteers and staff, which includes provisions for ethical management, publicity, fundraising practices, and full and fair disclosure?	Yes
--	-----

1. Do all staff and board members annually verify in writing they have reviewed the code of ethics?	Yes
2. Does your United Way have a written conflict of interest policy?	Yes
3. Does the code of ethics or conflict of interest policy instruct the board and staff to avoid conflicts of interest that would act against the best interest of United Way?	Yes
4. Does the code of ethics or conflict of interest policy include a process for reporting and resolving conflicts of interest should they occur?	Yes
5. Are the board members and staff required to disclose in writing, on an annual basis, any potential conflicts of interest?	Yes
6. Does your board review the code of ethics at least once every three years?	Yes
7. Has your United Way established a tip line for the reporting of concerns (e.g., ethical breaches, malfeasance)?	No

Requirement H: Audit

<p>Does your United Way have an annual audit conducted by an independent certified public accountant whose examination complies with generally accepted auditing standards and generally accepted accounting principles? Exception: organizations with annual revenue totaling less than \$500,000 may have their financial statements annually reviewed rather than audited by an independent public accountant provided they also conduct an independent internal controls assessment at least once every three years.</p> <p><i>Note: answer "Yes" if your United Way's annual revenue was less than \$500,000 and you produced financial statements reviewed by an independent public accountant.</i></p>	Yes
<p>Please select your United Way's annual revenue range.</p> <p><input checked="" type="checkbox"/> More than \$4 million</p> <p><input type="checkbox"/> More than \$500,000 and less than \$4 million</p> <p><input type="checkbox"/> Less than \$500,000, and financial statements were audited</p> <p><input type="checkbox"/> Less than \$500,000 and financial statements were reviewed</p> <p><i>Note: some of the questions below depend on your United Way's annual revenue and will appear as N/A if not applicable. For United Ways with annual revenue of less than \$500,000, please indicate if your financial statements were audited or reviewed.</i></p>	
1. Were most recent financial statements audited by an independent CPA?	Yes
2. Was the auditor's opinion unqualified/unmodified (i.e., a "clean" audit)?	Yes
3. Were most recent financial statements reviewed by an independent CPA (acceptable only for organizations with annual revenue of less than \$500,000)?	N/A
4. Fiscal year of most recent audit or review:	2019
<i>Only respond to questions 5, 6 and 7 if your United Way's annual revenue is less than \$500,000 and the organization produced reviewed financial statements (rather than audited financial statements).</i>	
5. Have you conducted an independent internal controls assessment within the last three years? <i>Additional information on internal controls assessments is available on United Way Online: http://online.unitedway.org/ica</i>	N/A
6. Year of last independent internal controls assessment:	N/A
7. Were any findings from the internal controls assessment implemented?	N/A
8. Has your United Way followed the <i>UWW Implementation Standards for Membership Requirement H (updated in 2018 and available on United Way Online)</i> in preparing the audited financial statements?	Yes
9. Does the board, executive committee or audit committee review the auditor's management letter and take appropriate actions to minimize any risks identified?	Yes
10. How much does your United Way have in operating reserves, per the most recently audited or reviewed financial statements? <i>Operating reserves are calculated from the Statement of Financial Position (balance sheet) as follows: Unrestricted, undesignated net assets less net fixed assets (property & equipment net of depreciation and net of any borrowing secured by fixed assets).</i>	4,300,560

11. How many months of expenses does your United Way's operating reserves represent? <i>At a minimum, United Ways must maintain at least three months' of expenses including grants to other organizations in operating reserves; higher reserves may be required based on other factors (economy, likelihood of disaster, and any risks that will interrupt cash flow). Calculate this using the organization's annual expense budget, dividing by 12 to determine one month's expenses. Divide the operating reserves by one month's expense to determine the number of months the reserves will cover. If your organization has little to no operating reserves, it is an indication that a financial crisis is imminent and immediate steps must be taken to restore stability.</i>	6-12 Months
12. Has the board, or board-delegated committee, approved the current provision for uncollectible pledges (estimated shrinkage)?	Yes

Requirement I: Self-Assessment

A new self-assessment will be released in 2020.

Requirement J: Database II

Did/will your United Way submit Database 2 to UWW by May 15, 2020, or by June 30, 2020 (if on a July-June fiscal cycle)?	Yes
--	-----

Requirement K: Income and Expense Survey – Suspended for 2020**Requirement L: Campaign Reporting**

Does your United Way adhere to standard reporting guidelines contained in the Database 2 Survey in reporting campaign revenue and resources generated to United Way Worldwide?	Yes
1. Are amounts reported on Database 2 provided in accordance with the NPC Total Resources Generated Policy?	Yes
2. Has your United Way talked with neighboring United Ways and United Ways with whom you share accounts to ensure that your campaign proceeds are being properly reported in accordance with NPC policies?	Yes

Requirement M: Cost Deduction Standards

Does your United Way adhere to the following cost deduction standards on designations (agency transactions): a) fees charged will be based on actual expenses; b) will not deduct fundraising or processing fees from designated gifts originating by or from another United Way organization?	Yes
1. Does your United Way allow donor-designated contributions? If answer is no, you may skip next three questions.	Yes
2. Have you calculated the maximum cost deduction rates according to the Cost Deduction Standards for Membership Requirement M (Part I) and are the rates charged at or below those rates?	Yes
3. Has the board, or board-delegated committee, approved the currently used cost deduction rates for fundraising and management/general expenses?	Yes
4. Does your United Way pay designated gifts quarterly that include reports required under this standard?	Yes

Review by United Way Governing Board

Did/will your United Way's governing board review this certification?	Yes
Please provide the date of the board's review of this certification:	07/24/2020

As your organization's annual revenue is more than \$4 million, please submit the most recent audited financial statements, IRS Form 990, code of ethics and sexual harassment policy to membership@unitedway.org, or you may attach them now. Do you have any documents to attach?

Yes

Optional – **please provide your organization's board roster**, ideally including each board member's name, professional title, employer, and email address. United Way Worldwide may share selected communications with these board members (e.g., Board Newsletter). United Way Worldwide will not share or disclose this information to outside parties. Do you have a board roster to attach? (*Excel preferred, but any format will be accepted*)

Yes



Please provide an explanation for any "no" responses.

D4: Our strategic plan is up for review this year. When we do meet to update diversity, equity and inclusion are on the list for review.

G7: We have not established a "tip" line. We have very few staff, and there is a process in place for reporting ethical breaches.

Please provide contact information so that United Way Worldwide may communicate directly with your United Way's leadership. United Way Worldwide will not share or disclose this information to outside parties.

I affirm that the information provided in this certification is accurate. I acknowledge my United Way's obligation to comply with the membership eligibility criteria contained in the United Way Worldwide bylaws, and to adhere to the rules and guidelines for use of United Way Worldwide collective and service membership marks as contained in the Member Trademark License Agreement. Failure to comply with United Way Worldwide membership eligibility criteria, including payment of membership investment, or to adhere to trademark policies, may result in termination of United Way Worldwide membership status.

First Signature

Beth Walton

Second Signature

Missy Agnello

Name

Beth Walton

Name

Missy Agnello

Date Signed

7/20/2020

Date Signed

7/21/2020

United Way Title

President and CEO

United Way Title

Treasurer

Professional Title (if different from United Way Title)

Professional Title

Professional Organization (if different from United Way)

Professional Organization

E-mail

bethwalton@palmbeachunitedway.org

E-mail

missyagnello@comcast.net

Phone

5613858041

Phone

561-828-4776

Mailing Address

44 Coconut Row, Suite M201
Palm Beach, FL 33480

Mailing Address

P.O Box 827
Palm Beach, FL 33480

**Audited Financial Statements
and Supplementary Information**

**Town of Palm Beach
United Way, Inc.**

June 30, 2019



**CALER, DONTEN, LEVINE,
COHEN, PORTER & VEIL, P.A.**

TOWN OF PALM BEACH UNITED WAY, INC.

AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

June 30, 2019

INDEPENDENT AUDITOR'S REPORT..... 1

AUDITED FINANCIAL STATEMENTS

Statement of Financial Position 3
Statement of Activities 4
Statement of Functional Expenses..... 5
Statement of Cash Flows 6
Notes to Financial Statements..... 7

SUPPLEMENTARY INFORMATION

Independent Auditor's Report on Supplementary Information..... 19
Schedule of Allocations to Agencies and Response Pool..... 20



CALER, DONTEN, LEVINE,
COHEN, PORTER & VEIL, P.A.

WILLIAM K. CALER, JR., CPA
LAURA E. CLARK, CPA
LOUIS M. COHEN, CPA
JOHN C. COURTNEY, CPA, JD
DAVID S. DONTEN, CPA
JAMES B. HUTCHISON, CPA
JOEL H. LEVINE, CPA
JAMES F. MULLEN, IV, CPA
MICHAEL J. NALEZYTY, CPA
THOMAS A. PENCE, JR., CPA
SCOTT L. PORTER, CPA
MARK D. VEIL, CPA
MARTIN R. WOODS, CPA

CERTIFIED PUBLIC ACCOUNTANTS

505 SOUTH FLAGLER DRIVE, SUITE 900
WEST PALM BEACH, FL 33401-5948
TELEPHONE: (561) 832-9292

850 NW FEDERAL HIGHWAY, SUITE 121
STUART, FL 34994-1019
TELEPHONE: (772) 872-2123

info@cdlcpa.com

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

FLORIDA INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Board of Trustees
Town of Palm Beach United Way, Inc.
Palm Beach, Florida

We have audited the accompanying financial statements of the Town of Palm Beach United Way, Inc. (the "Organization", a not-for-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 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 U.S. generally accepted accounting principles; 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 U.S. generally accepted auditing standards. 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 Organization'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 obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Town of Palm Beach United Way, 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 U.S. generally accepted accounting principles.

Report on Summarized Comparative Information

We have previously audited the Town of Palm Beach United Way, Inc.'s 2018 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated October 25, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Cale, Dutton, Levine,
Cohen, Porter & Veil, P.A.*

West Palm Beach, Florida
October 18, 2019

TOWN OF PALM BEACH UNITED WAY, INC.

STATEMENT OF FINANCIAL POSITION

June 30, 2019

(with Comparative Totals for June 30, 2018)

	<u>2019</u>	<u>2018</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 5,152,987	\$ 5,349,994
Pledges receivable	233,804	349,545
Prepaid expenses	8,126	28,041
TOTAL CURRENT ASSETS	<u>5,394,917</u>	<u>5,727,580</u>
PROPERTY AND EQUIPMENT, net	20,369	30,580
OTHER ASSETS		
Beneficial interests in trusts	2,259,044	2,238,677
Endowments		
Cash and cash equivalents	257,725	-
Investments	6,856,877	6,686,470
	<u>9,373,646</u>	<u>8,925,147</u>
TOTAL ASSETS	<u>\$ 14,788,932</u>	<u>\$ 14,683,307</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 21,460	\$ 28,144
Due to other organizations	175,009	-
Allocations to agencies	3,270,600	3,281,700
TOTAL CURRENT LIABILITIES	<u>3,467,069</u>	<u>3,309,844</u>
NET ASSETS		
Without donor restrictions	4,300,560	4,668,005
With donor restrictions	7,021,303	6,705,458
TOTAL NET ASSETS	<u>11,321,863</u>	<u>11,373,463</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 14,788,932</u>	<u>\$ 14,683,307</u>

See notes to financial statements.

TOWN OF PALM BEACH UNITED WAY, INC.

STATEMENT OF ACTIVITIES

Year Ended June 30, 2019
(with Comparative Totals for 2018)

	2019			2018 Totals
	Without Donor Restrictions	With Donor Restrictions	Total	
REVENUE, GAINS AND OTHER SUPPORT				
Campaign support	\$ 4,200,184	\$ 257,725	\$ 4,457,909	\$ 4,209,445
Less designations to non-member agencies	284,400	-	284,400	273,200
Campaign support, net	3,915,784	257,725	4,173,509	3,936,245
In-kind contributions	165,256	-	165,256	84,928
Investment income	442,639	102,528	545,167	378,041
Net realized and unrealized gains (losses) on investments	(225,047)	(64,775)	(289,822)	115,677
Change in value of beneficial interest in trusts	-	20,367	20,367	79,763
Total revenue, gains and other support	4,298,632	315,845	4,614,477	4,594,654
EXPENSES AND LOSSES				
Program services				
Allocation to agencies and response pool	3,379,143	-	3,379,143	3,461,866
Designated contributions to member agencies	168,275	-	168,275	268,100
Total allocations and payments	3,547,418	-	3,547,418	3,729,966
Functional expenses				
Allocation and agency relations	586,617	-	586,617	518,153
Total program services	4,134,035	-	4,134,035	4,248,119
Supporting services				
Management and general	96,834	-	96,834	85,101
Fundraising	398,088	-	398,088	349,860
Total program and supporting services	4,628,957	-	4,628,957	4,683,080
Uncollectible pledges receivable	37,120	-	37,120	25,430
Total expenses and losses	4,666,077	-	4,666,077	4,708,510
Changes in net assets	(367,445)	315,845	(51,600)	(113,856)
Net assets, beginning of year	4,668,005	6,705,458	11,373,463	11,487,319
Net assets, end of year	\$ 4,300,560	\$ 7,021,303	\$ 11,321,863	\$ 11,373,463

See notes to financial statements.

TOWN OF PALM BEACH UNITED WAY, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2019
(with Comparative Totals for 2018)

	2019				2018 Totals
	Program Services	Supporting Services		Total	
		Management and General	Fundraising		
Allocations and payments					
Allocations to agencies and response pool	\$ 3,379,143	\$ -	\$ -	\$ 3,379,143	\$ 3,461,866
Designated contributions to member agencies	168,275	-	-	168,275	268,100
Total allocations and payments	<u>3,547,418</u>	<u>-</u>	<u>-</u>	<u>3,547,418</u>	<u>3,729,966</u>
Functional expenses					
Personnel and related expenses					
Salaries	190,472	31,745	130,508	352,725	365,603
Health insurance	24,250	4,042	16,616	44,908	42,731
Retirement benefits	26,838	4,473	18,388	49,699	43,769
Payroll taxes	13,979	2,330	9,577	25,886	24,587
Total personnel and related expenses	<u>255,539</u>	<u>42,590</u>	<u>175,089</u>	<u>473,218</u>	<u>476,690</u>
Other expenses					
Advertising	3,132	522	2,146	5,800	4,347
Agency liaison	5,620	-	-	5,620	7,541
Auto expense	1,620	270	1,110	3,000	3,000
Bank charges	8,466	1,411	5,800	15,677	16,628
Computer software	9,974	1,662	6,834	18,470	17,873
Depreciation	9,472	1,579	6,490	17,541	18,416
DeTocqueville Society	5,152	859	3,531	9,542	5,495
Donor cultivation	5,164	861	3,539	9,564	3,252
Dues and subscriptions	30,159	5,027	20,665	55,851	57,113
Insurance	5,071	845	3,475	9,391	12,567
Office and campaign supplies	31,981	5,330	21,913	59,224	61,197
Photography and awards	1,623	270	1,112	3,005	2,843
Postage	8,607	1,435	5,897	15,939	13,289
Professional fees	10,619	1,770	7,276	19,665	21,140
Repairs and maintenance	13,918	2,320	9,536	25,774	25,893
Sponsored meetings and special events	86,082	14,347	58,981	159,410	112,121
Sponsored meetings and special events - in-kind	89,238	14,873	61,145	165,256	84,928
Telephone and fax	5,180	863	3,549	9,592	8,781
Total functional expenses	<u>586,617</u>	<u>96,834</u>	<u>398,088</u>	<u>1,081,539</u>	<u>953,114</u>
Total expenses	<u>\$ 4,134,035</u>	<u>\$ 96,834</u>	<u>\$ 398,088</u>	<u>\$ 4,628,957</u>	<u>\$ 4,683,080</u>

See notes to financial statements.

TOWN OF PALM BEACH UNITED WAY, INC.

STATEMENT OF CASH FLOWS

Year Ended June 30, 2019
(with Comparative Totals for 2018)

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Revenue collected		
Campaign support	\$ 4,536,530	\$ 4,131,154
Investment income	545,167	378,041
Payments for expenses		
Grants and allocations	(3,667,909)	(4,214,526)
Compensation and related expenses	(473,218)	(476,690)
Operating expenses	<u>(412,293)</u>	<u>(390,329)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	528,277	(572,350)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(460,229)	(1,110,796)
Purchase of property and equipment	<u>(7,330)</u>	<u>(18,234)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(467,559)</u>	<u>(1,129,030)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	60,718	(1,701,380)
Cash and cash equivalents at beginning of year	<u>5,349,994</u>	<u>7,051,374</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 5,410,712</u>	<u>\$ 5,349,994</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash and cash equivalents	\$ 5,152,987	\$ 5,349,994
Endowment cash and cash equivalents	<u>257,725</u>	<u>-</u>
	<u>\$ 5,410,712</u>	<u>\$ 5,349,994</u>
RECONCILIATION OF DECREASE IN NET ASSETS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Decrease in net assets	\$ (51,600)	\$ (113,856)
Adjustments to reconcile decrease in net assets to net cash provided by (used in) operating activities		
Depreciation	17,541	18,416
Net realized and unrealized (gains) losses on investments	289,822	(115,677)
Change in value of beneficial interests in trusts	(20,367)	(79,763)
Write off of pledges receivable	37,120	25,430
Changes in operating assets and liabilities		
(Increase) decrease in pledges receivable	78,621	(78,291)
(Increase) decrease in prepaid expenses	19,915	(22,985)
Increase (decrease) in accounts payable and accrued expenses	(6,684)	5,736
Increase in due to other organizations	175,009	-
Decrease in allocations to agencies	<u>(11,100)</u>	<u>(211,360)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 528,277</u>	<u>\$ (572,350)</u>

See notes to financial statements.

TOWN OF PALM BEACH UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

Organization: Town of Palm Beach United Way, Inc. (the "Organization") is a not-for-profit organization exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. The Organization was formed to assist the development of other philanthropic organizations in the vicinity of Palm Beach, Florida.

Basis of Presentation: The accompanying financial statements have been prepared on the accrual basis of accounting and present balances and transactions of the Organization according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of net assets and transactions as without donor restrictions or with donor restrictions as follows:

Net Assets Without Donor Restrictions are resources generated from operations, without donor restrictions and lapse of purpose and time restrictions and are not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions are those whose use by the Organization has been limited by donors to a specific time period, purpose or in perpetuity.

Net assets with donor restrictions are created only by donor-imposed restrictions on their use. All other net assets, including Board designated or appropriated amounts, are legally unrestricted, and are reported as net assets without donor restrictions.

Cash and Cash Equivalents: Cash and cash equivalents include amounts on deposit in checking accounts and money market accounts. For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

The Organization maintains cash deposits at various financial institutions located in Palm Beach County, Florida, as well as with a brokerage firm. At June 30, 2019, deposits exceeded Federal Deposit Insurance Corporation (FDIC) coverage by approximately \$2,900,000. The Organization periodically evaluates the financial condition of its banking institutions and has not experienced any loss on such accounts. Management believes the Organization is not exposed to any significant credit risk arising from such balances.

Investments: Investments consist of funds invested in The Investment Fund for Foundations (TIFF) Multi-Asset Fund, a private, no-load mutual fund. These investments are presented in the accompanying financial statements at fair value, as determined by TIFF using quoted market prices for publicly traded securities and other relevant information generated by market transactions. Investments are not insured or collateralized. Investment transactions are recorded on a trade date basis. Investment income is recorded on the accrual basis and dividend income is recorded on the ex-dividend date. Investment earnings and realized and unrealized gains and losses are included in the Statement of Activities. Investment expenses are netted against investment income.

Pledges Receivable, Net: Unconditional promises to give are recorded when received as pledges receivable and changes in net assets with donor restrictions subject to donor time restrictions. Amounts receivable in more than one year are discounted to their net present value. Upon receipt of the pledge payment, the amount is recorded as net assets released from restrictions. All pledges receivable were

TOWN OF PALM BEACH UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

considered fully collectible by management within one year, therefore, no allowance for uncollectible amounts is necessary at June 30, 2019 and 2018.

Property and Equipment: The Organization capitalizes all property and equipment acquisitions in excess of \$1,000. Property and equipment are stated at cost if purchased by the Organization; or at the fair value of the asset on the date of the gift, if received as a donation. Donated assets are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Donations of property or equipment are reported as changes in net assets without donor restrictions. Depreciation is computed on a straight-line basis over the estimated useful life of the asset, generally 30 years for buildings and five years for all other property and equipment. Depreciation is allocated to program and supporting services based on the use of the property and equipment.

Contribution Revenue: The Organization recognizes contributions as revenue in the period received and earned. Contributions are reported as changes in net assets with or without donor restrictions depending on the existence of donor stipulations that limit the use of the support. The Organization reports contributions as changes in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor 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. Donor restricted contributions whose restrictions are met in the same year the contribution was received, are reported as changes in net assets without donor restrictions. Gifts of securities and other assets are reported at their estimated fair value on the date of donation. Revenue received in advance for future fundraising events and conditional contributions are deferred until the event is held or the donor's condition is met.

Campaign Year and Allocation to Agencies: Due to the seasonal nature of the local economy and social environment, the Organization holds its annual campaign from September through June of each fiscal year. That campaign is used to develop an allocation to agencies that will be paid in the next period. The Organization typically meets in March or April of each year to decide on allocation payments to agencies. The amounts allocated to the individual agencies are determined by volunteers through a citizens' review process. Once the Board approves the allocations, agreements are executed with the agencies. Allocations are recognized as a liability when formally approved by the Board and communicated to agencies, and are generally paid over the ensuing 12 months.

Designations: Certain large contributors are permitted to designate the use of their contributed funds to specific agencies that could be members or non-members of the Organization. Such donor designations are funded immediately and are expensed in the same period. As of June 30, 2019, all designations have been paid.

Contributed Goods and Services: The Organization records the value of donated services that require specialized skills and that would typically need to be purchased if not provided by donation. During the year ended June 30, 2019, the Organization received donated goods and services which are recorded as contributions at their estimated fair value. The total amount of donated goods and services was \$165,256 for the year ended June 30, 2019. This amount is recognized as both income and expense in the accompanying statement of activities.

TOWN OF PALM BEACH UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

A substantial number of unpaid volunteers have made significant contributions of their time to develop the Organization's programs, principally in the evaluation of agencies and allocation of support. Due to difficulty in establishing a value for these non-professional services, the value of this contributed time is not reflected in these statements.

Functional Allocation of Expenses: The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses which can be specifically identified with a functional category are charged accordingly. Expenses which are not directly identifiable with a specific functional category require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes, and related benefits and other general operating costs, which are allocated on the basis of estimates of time and effort.

Advertising Expenses: Advertising expenses are charged to operations when incurred. Advertising expenses for the year ended June 30, 2019, totaled \$5,800.

Income Taxes: The Organization is a not-for-profit organization exempt from income taxes under Internal Revenue Code Section 501(c)(3). The Organization is classified as a publicly supported organization that is not a private foundation.

The Organization evaluates its uncertain tax positions in accordance with FASB ASC 740, *Income Taxes*, which states that management's determination of the taxable status of an entity, including its status as a tax-exempt entity, is a tax position subject to the standards required for accounting for uncertainty in income taxes. Management does not believe that the Organization has any significant uncertain tax positions that would be material to the financial statements. The Organization remains subject to examinations by major tax jurisdictions for tax years ending after 2015.

Prior Year Summarized and Comparative Totals Information: The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles (GAAP). Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

Changes in Accounting Principles: The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, which was effective for the Organization for the year ended June 30, 2019. ASU 2016-14 amended the requirements for financial statement presentation by 1) changing the presentation of net assets to include *net assets with donor restrictions* and *net assets without donor restrictions*, rather than unrestricted, temporarily restricted and permanently restricted net assets; and, 2) requiring certain additional disclosures about the Organization's liquidity, financial performance and functional expense allocation. The Organization implemented ASU 2016-14 for the year ended June 30, 2019. As a result of the adoption of ASU 2016-14, the Organization changed its presentation of net asset classes and expanded footnote disclosures as

TOWN OF PALM BEACH UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

required by the standard. There were no changes to the beginning net asset totals previously presented.

Pending Accounting Pronouncements: The following updates to accounting standards have been issued by the FASB and may affect the Organization in future years. Management has not completed its analysis of the effects, if any, of the following accounting standards:

ASU 2014-09, *Revenue from Contracts with Customers*, as amended. This standard provides a comprehensive model for revenue recognition. The standard may be adopted using either the full or retrospective method. The standard will be effective for the Organization for the year ending June 30, 2020.

ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard clarifies the guidance for evaluating whether a transaction is reciprocal (i.e. an exchange transaction) or nonreciprocal (i.e. a contribution) and for distinguishing between conditional and unconditional contributions. This standard will be effective for the Organization for the year ending June 30, 2021.

Subsequent Events: Management has evaluated subsequent events through October 18, 2019, the date on which the financial statements were available to be issued.

Use of Estimates and Assumptions: Management uses estimates and assumptions in preparing financial statements in accordance with U.S. generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

NOTE B - LIQUIDITY AND AVAILABILITY

The Organization manages its liquidity to operate within a prudent range of financial soundness and stability, and maintain adequate liquid assets to fund current operating needs. The Organization aims to keep approximately 30 days of anticipated operating expenditures in its checking account. Cash and cash equivalents above this threshold are deposited in interest bearing checking accounts and money market funds.

The following table summarizes the Organization's financial assets as of June 30, 2019 that are available to meet general operating expenditures of the subsequent year.

Cash and cash equivalents	
Pledges receivable	\$ 5,152,987
	<u>233,804</u>
	5,386,791
Less: agency allocations payable	<u>(3,270,600)</u>
Financial assets available at June 30, 2019	<u>\$ 2,116,191</u>

TOWN OF PALM BEACH UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE B - LIQUIDITY AND AVAILABILITY (Continued)

The Organization receives significant contributions each year from donors, which are available to meet annual cash needs for general operating expenditures. Agency allocations payable are generally paid monthly over the subsequent fiscal year. During the subsequent fiscal year, additional contributions are also received from donors.

The Organization's endowment funds consist of endowments with donor restrictions and funds designated by the board as endowments. Income from the endowment in perpetuity with a fair value of approximately \$5.0 million may be used for general operating purposes, although the Board has a policy that limits spending to 4% of the average endowment corpus. In recent years, the Board has chosen to not use these monies. The board-designated endowment with a fair value of approximately \$2.4 million at June 30, 2019 may be used at the discretion of the board, although the intent is to only use amounts appropriated by the Board as part of the annual budget approval and appropriation process.

NOTE C - INVESTMENTS

At June 30, 2019, all of the Organization's investments were in The Investment Fund for Foundations (TIFF) Multi-Asset Fund (the "Fund"). The TIFF Multi-Asset Fund is a private, no-load alternative investment fund available to foundations, endowments, 501(c)(3) organizations and certain other not-for-profit organizations. Organizations seeking to invest in the Fund must be "*accredited investors*" as defined in Rule 501(a) under the Securities Act of 1933, which generally requires that a not-for-profit organization have total assets in excess of \$5 million. The Fund pursues multiple strategies to attain a growing stream of current income and appreciation of principal that net of expenses, exceeds inflation plus 5% per annum. At June 30, 2019, the Fund held approximately 65% of its investments in U.S. and global stocks, 20% in other hedging assets, and 15% in fixed income products and cash equivalents. Shares in the Fund may be redeemed on any business day upon a member's request. The Fund also requires an entry and exit fee of 0.50%. The fair value and cost of this investment at June 30, 2019 and 2018, totaled \$6,856,877 and \$6,686,470, respectively.

The Organization's investments in the Fund are exposed to various risks, such as market risk, interest rate risk, and credit risks. In addition, certain investments of the Fund may be subject to additional risks including foreign currency risk, derivatives risk, foreign and emerging markets risk, leveraging risk, liquidity risk, multi-manager risk, real estate risk and small company risk. Due to the various risks associated with the Organization's investments in the Fund, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

TOWN OF PALM BEACH UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE D - PLEDGES RECEIVABLE

Pledges receivable as of June 30, 2019, consist of promises to give due in the following year as follows:

Individuals	\$ 95,981
Corporations	<u>137,823</u>
Total	<u>\$ 233,804</u>

NOTE E - ENDOWMENTS

The Organization's endowments consist of three individual funds, including two donor-restricted endowment funds, established to support its annual operating expenses. As required by U.S. 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.

FASB ASC 958, *Not-for-Profit Entities*, provides guidance on the net asset classification of endowment funds with donor restrictions for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and requires disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds), whether or not the organization is subject to UPMIFA. The State of Florida enacted a version of UPMIFA, known as the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) that governs the investment, management and spending of donor-restricted endowment funds by Florida not-for-profit organizations. Absent explicit donor stipulations, FUPMIFA generally requires prudent care in investing, managing and developing spending plans for donor-restricted endowment funds. The Organization classifies as perpetually restricted net assets the following items: (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument (if applicable) at the time the accumulation is added to the fund, and (d) the portion of investment return added to the perpetual endowment to maintain its purchasing power, if donor-restricted. The Organization classifies as time or purpose restricted net assets: (a) the portion of donor-restricted term endowment funds that is deemed to be restricted over a donor-specified period, and (b) the portion of donor-restricted endowment funds with donor-imposed purpose restrictions that have not yet been met. Both perpetually restricted endowments and time and purpose restricted endowments are classified as net assets with donor restrictions in the accompanying statement of financial position. The Organization considers the following factors in making a determination to expend donor-restricted endowment funds:

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

TOWN OF PALM BEACH UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE E - ENDOWMENTS (Continued)

Endowment composition by type of fund as of June 30, 2019 was as follows:

	Without Donor Restrictions	With Donor Restrictions			Total
	Unrestricted	Purpose Restricted	Restricted in Perpetuity	Total	
Donor-restricted	\$ -	\$ 1,519,109	\$ 4,986,679	\$ 6,505,788	\$ 6,505,788
Board-designated	<u>2,352,343</u>	-	-	-	<u>2,352,343</u>
Total	<u>\$ 2,352,343</u>	<u>\$ 1,519,109</u>	<u>\$ 4,986,679</u>	<u>\$ 6,505,788</u>	<u>\$ 8,858,131</u>

Changes in endowment net assets for the fiscal year ended June 30, 2019 consisted of the following:

	Without Donor Restrictions	With Donor Restrictions			Total
	Unrestricted	Purpose Restricted	Restricted in Perpetuity	Total	
Balance at July 1, 2018	\$ 2,219,689	\$ 1,481,356	\$ 4,734,351	\$ 6,215,707	\$ 8,435,396
Contributions	-	-	257,725	257,725	257,725
Investment return					
Investment income	357,701	102,528	-	102,528	460,229
Net realized/unrealized losses	(225,047)	(64,775)	-	(64,775)	(289,822)
Total investment return	132,654	37,753	-	37,753	170,407
Change in value of beneficial Interest in trust	-	-	(5,397)	(5,397)	(5,397)
Balance at June 30, 2019	<u>\$ 2,352,343</u>	<u>\$ 1,519,109</u>	<u>\$ 4,986,679</u>	<u>\$ 6,505,788</u>	<u>\$ 8,858,131</u>

Funds with Deficiencies: From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or FUPMIFA requires the Organization to retain as a fund of perpetual duration. In accordance with U.S. generally accepted accounting principles, deficiencies of this nature are reported in net assets with donor restrictions. There were no deficiencies in donor-restricted endowment funds as of June 30, 2019.

Investment Objectives: Historically, the Organization's investment objectives and policies have been to: (a) generate adequate annual transfers of income, which together with the earnings of the general unrestricted funds and reserve funds of the Organization, will fully subsidize the annual operating expenses without eroding the original corpus; and (b) provide a growth rate in the investment portfolio at least equal to the current rate of inflation. In order to meet its objectives, the Organization generally contemplates the investment of the Endowment Funds in equity mutual funds which are broadly diversified within asset classes (such as growth stock funds, valued stock funds, etc.) and appropriate government and corporate bonds and other debt instruments that provide a diversified exposure to the

TOWN OF PALM BEACH UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE E - ENDOWMENTS (Continued)

credit markets. The Organization believes that investing in a multi-asset fund is an appropriate method for achieving a diversified investment strategy given the nature of these investments. The Organization periodically reviews its investment policy to specifically identify strategies and spending policies as they relate to the various endowment categories.

Spending Policy: The Organization's spending policy specifies the approach followed with respect to transfers from the Endowment Funds to the Unrestricted Fund. In general, the Organization may make an annual transfer of up to four percent (4%) of the average endowment corpus. For purposes of this measurement, the endowment corpus includes funds for which the Organization receives no current income, but which are permanently committed to the Organization, and excludes the endowment corpus managed by the Organization for specific purposes, such as the Visiting Nurse endowment.

More specifically, the Organization may transfer at the end of each fiscal quarter, one percent (1%) of the latest year average applicable endowment corpus (determined by the average of the last four available calendar quarters) from the Endowment Fund to the Unrestricted Fund. The Board decided not to transfer any monies out of the Endowment Fund for 2019.

NOTE F - PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30, 2019:

Building and improvements	\$ 262,530
Equipment	<u>154,077</u>
	416,607
Accumulated depreciation	<u>(396,238)</u>
Property and equipment, net	<u>\$ 20,369</u>

Depreciation expense for 2019 was \$17,541.

TOWN OF PALM BEACH UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE G - BENEFICIAL INTERESTS IN TRUSTS

Beneficial interests in trusts with donor restrictions consist of the following at June 30, 2019:

Time Restricted

The Organization is the beneficiary of the following trusts that are classified as time restricted assets until such time as the remainder interests are received:

25% beneficial interest in a charitable remainder unitrust. The trust interest is valued based upon the estimated discounted cash flow (at a discount rate of 1.2% at June 30, 2019) of the remainder interest over the estimated life expectancy of the current beneficiary. \$ 109,024

33% beneficial interest in a charitable remainder unitrust. The trust interest is valued based upon the estimated discounted cash flow (at a discount rate of 2.2% at June 30, 2019) of the remainder interest over the estimated life expectancy of the current beneficiary. 406,491

Total Time Restricted Beneficial Interests in Trusts 515,515

Perpetually Restricted

The Organization is the beneficiary of the following trusts that are classified as restricted in perpetuity:

A perpetual trust created by a donor, the assets of which are held by a third-party trustee. The Organization has legally enforceable rights and claims to such assets, including the sole right to income therefrom. The interest in this trust is valued at the fair value of the underlying assets held in the trust. 1,556,697

A perpetual trust created by a donor, the assets of which are held by a third-party trustee. The Organization has legally enforceable rights and claims to 25% of the net income of the trust. The interest in this trust is valued at the Organization's proportionate share of the fair value of the underlying assets held in the trust. 186,832

Total Perpetually Restricted Beneficial Interests in Trusts 1,743,529

Total Beneficial Interests in Trusts \$ 2,259,044

While management uses their best judgment in estimating the fair value of these trust interests, there are inherent limitations in any estimation technique. Accordingly, the fair value of the beneficial interests in these trusts could differ significantly from their ultimate realizable value should management's assumptions differ from future confirming events.

TOWN OF PALM BEACH UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE H - FAIR VALUE OF FINANCIAL INSTRUMENTS

FASB ASC 820, *Fair Value Measurements and Disclosures*, establishes a consistent framework for measuring fair value that provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2: Inputs, other than quoted prices included within Level 1, that are observable for the assets or liabilities, either directly or indirectly.

Level 3: Inputs are unobservable for the assets or liabilities.

The fair value measurement of an asset or liability within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Items Measured at Fair Value on a Recurring Basis: The following methods and assumptions were used by the Organization in estimating the fair value of financial instruments that are measured at fair value on a recurring basis under FASB ASC 820:

TIFF Multi-Asset Fund: Valued at the unadjusted net asset value per share determined by the Fund manager pursuant to the practical expedient method permitted by ASU No. 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*.

Beneficial interests in trusts: Valued at the discounted fair value of the remainder interest to be received upon termination of the trust for the charitable remainder trusts and at the underlying value of the securities as reported on the active market on which the individual securities are traded for perpetual trusts.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There were no changes in the methodologies during the year ended June 30, 2019.

Fair Value of Assets: The following table sets forth, by level within the fair value hierarchy, the fair value of the Organization's financial assets measured at fair value on a recurring basis at June 30, 2019:

TOWN OF PALM BEACH UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE H - FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Beneficial interests in trusts	\$ -	\$ -	\$ 2,259,044	\$ 2,259,044
Alternative investment measured at NAV - TIFF Multi-Asset Fund				<u>6,856,877</u>
Total Fair Value				<u>\$ 9,115,921</u>

The categorization of an investment within the fair value hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to the Organization's perceived risk of that investment.

The following table sets forth a summary of changes in the fair value of the Organization's Level 3 assets for the year ended June 30, 2019:

	<u>Beneficial Interests in Trusts</u>
Balance at July 1, 2018	\$ 2,238,677
Change in value of beneficial interests	<u>20,367</u>
Balance at June 30, 2019	<u>\$ 2,259,044</u>

NOTE I - NET ASSETS

As of June 30, 2019, the Organization's net assets consist of the following:

Without Donor Restrictions	
Undesignated	\$ 1,948,217
Board designated endowment	<u>2,352,343</u>
Total Net Assets Without Donor Restrictions	<u>\$ 4,300,560</u>
With Donor Restrictions	
Time restricted beneficial interests in trusts	\$ 515,515
Purpose restricted Visiting Nurse Fund	1,519,109
<i>Restricted in perpetuity</i>	
Beneficial interests in perpetual trusts	1,743,529
Endowment investments in perpetuity	<u>3,243,150</u>
Net assets restricted in perpetuity	<u>4,986,679</u>
Total Net Assets With Donor Restrictions	<u>\$ 7,021,303</u>

TOWN OF PALM BEACH UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE I - NET ASSETS (Continued)

As of June 30, 2019, the Organization's net assets with donor restrictions consist of the following:

	<u>Time and Purpose Restricted</u>	<u>Perpetually Restricted</u>	<u>Total With Donor Restrictions</u>
Beneficial interests in trusts	\$ 515,515	\$ 1,743,529	\$ 2,259,044
Cash and cash equivalents	-	257,725	257,725
Investments	<u>1,519,109</u>	<u>2,985,425</u>	<u>4,504,534</u>
	<u>\$ 2,034,624</u>	<u>\$ 4,986,679</u>	<u>\$ 7,021,303</u>

Net assets with donor restrictions include net assets that arise as a result of time or purpose restrictions and are considered net assets with donor restrictions until such assets are received or donor restrictions for specific purposes are met. The time restricted beneficial interests in trusts are restricted until such time as the remainder of the trust is distributed, at which time the distribution will become available to the Organization for its unrestricted use. The purpose restricted investments consist of a donor restricted endowment fund, the "Visiting Nurse Endowment Fund", which must be used to provide funding support to agencies and organizations which provide direct services to the poor who are in need of medical home health services or other medical services.

Perpetually restricted assets must be maintained in perpetuity. The income from these assets may be used to support the Organization's operations and are recorded as investment income without donor restrictions.

NOTE J - PENSION PLAN

The Organization has two pension plans administered by Empower Retirement on behalf of qualified, full-time employees. The first plan is a tax-deferred annuity contract, allowing employees to defer a portion of their pay up to the maximum allowed by law and receive a matching contribution of up to 5% of their pay from the Organization. The second plan is a defined contribution plan where employee contributions are not required or permitted, and the Organization contributes 10% of an eligible employee's annual salary. During the year ended June 30, 2019, the Organization contributed \$49,699 to these two plans.

NOTE K - RELATED PARTY CONTRIBUTIONS

The Organization received contributions from members of the Board of Trustees and committees totaling approximately \$2,031,000 during the year ended June 30, 2019. This represents approximately 44% of total campaign support.

SUPPLEMENTARY INFORMATION



CALER, DONTEN, LEVINE,
COHEN, PORTER & VEIL, P.A.

WILLIAM K. CALER, JR., CPA
LAURA E. CLARK, CPA
LOUIS M. COHEN, CPA
JOHN C. COURTNEY, CPA, JD
DAVID S. DONTEN, CPA
JAMES B. HUTCHISON, CPA
JOEL H. LEVINE, CPA
JAMES F. MULLEN, IV, CPA
MICHAEL J. NALEZYTY, CPA
THOMAS A. PENCE, JR., CPA
SCOTT L. PORTER, CPA
MARK D. VEIL, CPA
MARTIN R. WOODS, CPA

CERTIFIED PUBLIC ACCOUNTANTS

505 SOUTH FLAGLER DRIVE, SUITE 900
WEST PALM BEACH, FL 33401-5948
TELEPHONE: (561) 832-9292

850 NW FEDERAL HIGHWAY, SUITE 121
STUART, FL 34994-1019
TELEPHONE: (772) 872-2123

info@cdlcpa.com

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

FLORIDA INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report
on Supplementary Information

To the Board of Trustees
Town of Palm Beach United Way, Inc.
Palm Beach, Florida

We have audited the financial statements of the Town of Palm Beach United Way, Inc. (the "Organization"), as of and for the year ended June 30, 2019, and have issued our report thereon dated October 18, 2019, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole.

The schedule of allocations to agencies and response pool on pages 20 and 21 is presented for the purpose 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 U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Caler, Donten, Levine,
Cohen, Porter & Veil, P.A.*

West Palm Beach, Florida
October 18, 2019

TOWN OF PALM BEACH UNITED WAY, INC.

SCHEDULE OF ALLOCATIONS TO AGENCIES AND RESPONSE POOL

Year Ended June 30, 2019

Allocations to agencies are determined each year by the Board of Trustees and are generally paid in monthly installments. The following allocations were approved for the year ended June 30, 2019, for disbursement between July 1, 2019 and June 30, 2020.

Agency	Allocations
2-1-1 Palm Beach/Treasure Coast	\$ 176,700
Achievement Center	86,500
ARC of the Glades	35,000
ARC of Palm Beach County	192,600
Adopt-A-Family	199,000
Aid to Victims of Domestic Abuse	117,000
Alpert Jewish Family & Children's Services	58,000
Alzheimer's Community Care	78,000
Association for Caregiving Youth	5,000
Boys & Girls Clubs of Palm Beach County	196,600
Caridad Center	164,000
Catholic Charities	25,000
Center for Child Counseling	45,000
Center for Family Services	25,000
Children's Home Society	15,000
Clinics Can Help	30,000
CROS	35,000
Drug Abuse Foundation	132,000
Drug Abuse Treatment Association	176,130
El Sol	45,000
Families First of Palm Beach County	78,400
Farmworkers Coordinating Council	100,000
Feeding South Florida	50,000
Genesis Community Health	6,000
The Glades Initiative	50,000
Gulfstream Goodwill Industries	28,000
Habitat for Humanity	12,500
Healthy Mothers/Healthy Babies	17,000
Home Safe	102,000
Homeless Coalition of Palm Beach County	6,200
Legal Aid Society	60,000
Lord's Place	190,000

(continued)

TOWN OF PALM BEACH UNITED WAY, INC.

SCHEDULE OF ALLOCATIONS TO AGENCIES AND RESPONSE POOL (CONTINUED)

Year Ended June 30, 2019

Agency	Allocations
Milagro Center	\$ 61,000
Opportunity, Inc.	137,500
Palm Beach Habilitation Center	238,470
Palm Beach County Literacy Coalition	112,000
Planned Parenthood	34,000
Seagull Industries	40,000
Take Stock in Children	66,000
Urban League	10,000
Urban Youth Impact	26,000
YMCA of South Palm Beach County	7,000
YWCA of Palm Beach County	2,000
	<hr/>
Total allocations for July 1, 2019, through June 30, 2020	3,270,600
Response Pool amounts expended during 2019	108,543
	<hr/>
Total allocation to agencies and response pool	<u><u>\$ 3,379,143</u></u>

TOWN OF PALM BEACH UNITED WAY BOARD OF TRUSTEES

Name	Affiliation	Email
Missy Agnello		missyagnello@comcast.net
Ann-Britt Angle	Christian Angle Real Estate	annbritt@anglerealestate.com
Sean Baker	Town of Palm Beach Fire-Rescue	sbaker@townofpalmbeach.com
Howard Bernick	Bernick Advisory Limited	hbb@bernickadvisory.com
Kathy Bleznak		rosegarden960@gmail.com
Cynthia Boardman		cynthiarboardman@me.com
Jay Boodheshwar	Town of Palm Beach	jboodheshwar@townofpalmbeach.com
Jack Borland	Brown Brothers Harriman	jack.borland@bbh.com
Sandy Bornstein		sandybo1@aol.com
James Borynack	Findlay Galleries	jrb@wallyfindlay.com
Sean Bresnan	Wealth Partners Capital Group	spb141@yahoo.com
Nancy Brinker	Brinker International, Inc	nancy@nbrinker.org
Paula Butler	Subaru Distributors Corp.	pb0021@aol.com
Jorge Cabrera	The Breakers Palm Beach	jorge.cabrera@thebreakers.com
Atesh Chandra	The Breakers Palm Beach	atesh.chandra@thebreakers.com
Mark Cook	Royal Palm Management	mwc@cookint.com
Christine Curtis		christinecurtis@mac.com
Marvin Davidson		marcodavis35@gmail.com
Christina Dennis		christina.dennis@icloud.com
Tasha Dickinson	Day Pitney LLP	tdickinson@daypitney.com
Michael Donnell		
David Duffy		dduffy@duffyshanley.com
Gail Engelberg		gail@nglbrg.com
Lynn Foster		lynnafoster@gmail.com
Mary Freitas		mfbanks@comcast.net
George Garfunkel		ggarfunkel@firstmanhattan.com
Bruce Gendelman	BG Strategic Advisors	bgendelman@gendelman.com
Juliana Gendelman	Gendelman Insurance Services	julesg86@gmail.com
Roni Goldsmith		nytomato@aol.com
Lee Gordon	Law Office of Lee B. Gordon, P.A.	LBG2000@aol.com
Stephen Hall, Jr.	Compass	steve@hallpalmbeach.com
J. Ira Harris	J. Ira Harris & Associates	jih@jiharris.com
Ann Heathwood		aheathwood@comcast.net
Vicky Hunt		vickyhunt1@me.com
Brian Hurley		b7hurley@aol.com
Darlene Jordan		darlenejordan@mac.com
Jason Kalisman	The Talisman Group, LLC	jason@kalisman.com
John Kessler	RBC Wealth Management	john.kessler@rbc.com
Michele Kessler		pmichelekessler@gmail.com
Paulette Koch	Corcoran Group	paulette.koch@corcoran.com
Sir Geoffrey Leigh		sgllondonpb@gmail.com
Matthew Lorentzen	CAVU Aviation Finance, LLC	matt.lorentzen@gmail.com
David Mack	The Mack Company	dmack@mackcompany.com
Cara Coniglio McClure	Douglas Elliman Real Estate	caracmcclure@gmail.com
Pamela Mclver		pam180@mac.com
Bill Meyer	Meyer Jabara Hotels	bpalmowski@mjhotels.com (assistant)
Harriet Miller		hmiller352@aol.com
Sydell Miller		smiller@symaxltd.com
Danielle Moore	Fortin Foundation of Florida	daniellemoorepb@gmail.com
Trip Moore	Northern Trust	rm2@ntrs.com
Esther Murray		estherdedeo@aol.com
Hess Musallet	Field of Greens	foggyhess@gmail.com
Heidi Niblack		hniblack2@gmail.com
Rita Nowak		bnowak6200@cs.com
Daniel Ponton	Club Colette	deponton@yahoo.com
Tom Quick	First Palm Beach Properties	tommyquick@aol.com
Cater Randolph	Mettler, Randolph, Massey, Ferguson, Carroll and Sterlacci, P.L.	crandolph@mettlerlaw.com
Joyce Reingold		joyce.reingold@yahoo.com
Stephanie Ribakoff		sg1818@aol.com
Lyn Ross		lyn.ross@lynmross.com
Richard Rothschild		richard.rothschild56@gmail.com
Linda Saville		saville.linda@gmail.com
Laurie Silvers	Hollywood.com	laurie@hollywood.com
Louise Snyder		louisesnyder@aol.com
Christine Stiller		chstiller@aol.com
Dominick Telesco		dktelesco@gmail.com
Bill Tiefel		wrtiefel@gmail.com
Betsy Turner	Northern Trust	betsyt1025@gmail.com
Wally Turner	Sotheby's Realty	wallyturner@comcast.net
Debra Vasilopoulos	IberiaBank	debra.vasilopoulos@iberiabank.com
Kathryn Vecellio		kathryn.vecellio@vecelliogroup.com
Lisa Wilkinson	Douglas Elliman Real Estate	lisawilkinson49@gmail.com
Rebecca Williams		rebwil@mel.com
Robert Wright		bwright@thlcapital.com
Susan Wright		sgkpb@me.com
Allen Wyett		awyett@aol.com