



**United Way of St. Johns County, Inc.**

**FINANCIAL STATEMENTS**

**June 30, 2021**



**REPORT**

Independent Auditors' Report	1
------------------------------	---

**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
-------------------------------	---

Management Representation Letter	--
----------------------------------	----



**Carr, Riggs & Ingram, LLC**  
7411 Fullerton Street  
Suite 300  
Jacksonville, FL 32256

904.356.6023  
904.353.5836 (fax)  
CRIcpa.com

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
United Way of St. Johns County, Inc.

### **Opinion**

We have audited the accompanying financial statements of United Way of St. Johns County, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of St. Johns County, Inc. as of June 30, 2021, 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.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of St. Johns County, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of St. Johns County, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute

assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 United Way of St. Johns County, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of St. Johns County, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Carr, Riggs & Ingram, L.L.C.*

Jacksonville, Florida  
November 2, 2021

**United Way of St. Johns County, Inc.**  
**Statement of Financial Position**

*June 30, 2021*

<b>Assets</b>		
Cash	\$	1,436,156
Restricted cash - custodial account		9,027
Investments		256,646
Accounts receivable		14,000
Campaign pledges receivable, net of allowance for uncollectible pledges		309,334
Other assets		16,291
Property, plant and equipment, net		150,761
<hr/>		
<b>Total assets</b>	<b>\$</b>	<b>2,192,215</b>
<hr/>		
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable and accrued expenses	\$	47,604
Community impact payable		625,000
Unearned revenue		4,500
Designations payable		3,291
Custodial account		9,027
<hr/>		
<b>Total liabilities</b>		<b>689,422</b>
<hr/>		
Net assets		
Without donor restrictions		1,265,819
With donor restrictions		236,974
<hr/>		
<b>Total net assets</b>		<b>1,502,793</b>
<hr/>		
<b>Total liabilities and net assets</b>	<b>\$</b>	<b>2,192,215</b>
<hr/>		

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

**United Way of St. Johns County, Inc.**  
**Statement of Activities**

<i>For the year ended June 30, 2021</i>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenue and Other Support</b>			
Campaign revenue	\$ 1,344,401	\$ 71,879	\$ 1,416,280
Less, donor designations	(107,142)	-	(107,142)
Less, provision for uncollectible receivables	(3,749)	-	(3,749)
Fundraising revenue	85,031	-	85,031
Grants	33,672	15,920	49,592
Investment income, net	50,043	-	50,043
In-kind contributions	30,276	-	30,276
Administrative fees	110,257	-	110,257
Other income	43,722	-	43,722
Net assets released from restrictions	29,319	(29,319)	-
<b>Total revenues and other support</b>	<b>1,615,830</b>	<b>58,480</b>	<b>1,674,310</b>
<b>Expenses</b>			
<i>Program services</i>			
Community Impact	1,225,124	-	1,225,124
Less, donor designations	(107,142)	-	(107,142)
<b>Total program services</b>	<b>1,117,982</b>	<b>-</b>	<b>1,117,982</b>
<i>Supporting services</i>			
Management and general	267,461	-	267,461
Fundraising expenses	234,845	-	234,845
<b>Total supporting services</b>	<b>502,306</b>	<b>-</b>	<b>502,306</b>
<b>Total expenses</b>	<b>1,620,288</b>	<b>-</b>	<b>1,620,288</b>
Change in net assets	(4,458)	58,480	54,022
Net assets at beginning of year	1,270,277	178,494	1,448,771
<b>Net assets at end of year</b>	<b>\$ 1,265,819</b>	<b>\$ 236,974</b>	<b>\$ 1,502,793</b>

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

**United Way of St. Johns County, Inc.**  
**Statement of Functional Expenses**

*For the year ended June 30, 2021*

	Program Services		Supporting Services		Total
	Program Services	Management and General	Fundraising		
Allocations, net of designations	\$ 967,946	\$ -	\$ -	\$ -	<b>967,946</b>
Personnel expense	94,380	168,243	147,725		<b>410,348</b>
Professional fees	6,353	11,325	9,943		<b>27,621</b>
Depreciation	3,315	5,909	5,187		<b>14,411</b>
Utilities	3,125	5,571	4,891		<b>13,587</b>
Meeting & travel	8,500	15,152	13,304		<b>36,956</b>
Maintenance & repairs	1,855	3,307	2,904		<b>8,066</b>
Rental expense	4,175	7,443	6,536		<b>18,154</b>
Advertising & marketing	3,302	5,886	5,168		<b>14,356</b>
Postage	2,080	3,708	3,255		<b>9,043</b>
Printing	489	872	767		<b>2,128</b>
Office expense	735	1,310	1,150		<b>3,195</b>
Bank fees	719	1,282	1,125		<b>3,126</b>
Miscellaneous expense	310	556	489		<b>1,355</b>
Insurance	4,103	7,314	6,423		<b>17,840</b>
Online processing fees	1,944	3,465	3,043		<b>8,452</b>
Membership & dues	7,688	13,705	12,035		<b>33,428</b>
In-kind services	6,963	12,413	10,900		<b>30,276</b>
<b>Total</b>	<b>\$ 1,117,982</b>	<b>\$ 267,461</b>	<b>\$ 234,845</b>	<b>\$ -</b>	<b>\$ 1,620,288</b>

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

**United Way of St. Johns County, Inc.**  
**Statement of Cash Flows**

*For the year ended June 30, 2021*

<b>Operating Activities</b>	
Change in net assets	\$ 54,022
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities	
Depreciation	14,411
Uncollectible receivables	3,749
Unrealized and realized loss (gain) on investments	(44,057)
Changes in operating assets and liabilities	
Accounts receivable	(6,231)
Campaign pledges receivable	(31,267)
Other assets	(2,156)
Accounts payable and accrued expenses	265
Community impact payable	325,000
Deferred services to client	(14,170)
Designations payable	(27,321)
Custodial account	(25)
Net cash provided by (used in) operating activities	272,220
<b>Investing Activities</b>	
Purchase of investments	(2,135)
Purchases of property and equipment	(2,913)
Net cash provided by (used in) investing activities	(5,048)
<b>Net change in cash and restricted cash</b>	<b>267,172</b>
<b>Cash and restricted cash at beginning of year</b>	<b>1,178,011</b>
<b>Cash and restricted cash at end of year</b>	<b>\$ 1,445,183</b>
<b>Schedule of Certain Cash Flow Information</b>	
Cash and cash equivalents	\$ 1,436,156
Restricted cash	9,027
Total cash and restricted cash	\$ 1,445,183

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



## United Way of St. Johns County, Inc. Notes to the Financial Statements

### **Note 1 - ORGANIZATION**

United Way of St. Johns County, Inc. (the "Organization") is a not-for-profit corporation founded in 1957 in St. Johns County, Florida.

The mission of the Organization is "To positively impact lives in St. Johns and Putnam Counties" with a vision to inspire and lead the community in a united effort by providing transformative health, education and financial stability for all generations by collaborating with donors, partners and volunteers. United Way of St. Johns County fights for the education, health and financial stability for every person by focusing on the things that everyone needs for a good life: a quality education that leads to a stable job, enough income to support a family through retirement and good health.

United Way of St. Johns County brings together agencies, businesses, organizations, faith-based groups, government and individuals to focus on the community problems that matter most working with partners that share the same vision and have the energy, passion, expertise and resources to get the work done. The Organization strategically invests in quality programs, building partnerships, advocating for better policies, engaging our community and leveraging resources.

### **Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### ***Basis of Accounting***

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, and accordingly, reflect all significant receivables, payables and other liabilities of the Organization.

#### ***Use of Estimates***

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

#### ***Cash and Cash Equivalents***

Cash and cash equivalents includes all cash balances and highly liquid investments with an original maturity of 90 days or less.

#### ***Restricted Cash - custodial account***

The Organization has an agreement with St. Johns and Putnam County Long-Term Recovery Organization, in which the Organization acts as the fiscal agent and disburses funds as instructed under the agreement.

**United Way of St. Johns County, Inc.**  
**Notes to the Financial Statements**

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Pledges Receivable and Allowance for Uncollectible Accounts***

Unconditional promises to give are recorded as pledges receivable and contribution revenue when the promise is made. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of a discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. Pledges receivable and related contributions are initially recorded at their net realizable value based on amounts expected to be collected from donors. This valuation reflects net pledge balances at a level which, in the judgment of management, is adequate to meet the present and potential risks of uncollectibility of the pledges receivable. Management's judgment is based on a variety of factors, which include experience related to charge offs and recoveries, previous collection history and scrutiny of individual accounts. Specific accounts are written off once they are determined no longer collectible. For the annual campaign, any remaining uncollectible pledge balances are written off after two years.

***Investments***

Investments are reported at fair value. Investment income or loss (including gains and losses on investments and interest and dividends) is accounted for as a change in net assets without donor restrictions, unless previously restricted by donor specifications or law. Realized gains and losses on disposition of investments are determined by comparison to specific cost of acquisition to proceeds at the time of disposal. Unrealized gains and losses are calculated by comparing cost to market values at the statement of financial position date, and are reported as a change in the appropriate net assets class dependent on restrictions, if any.

***Property and Equipment***

All acquisitions of property and equipment in excess of \$500 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

***Net Assets***

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and capital assets reserve.

**United Way of St. Johns County, Inc.**  
**Notes to the Financial Statements**

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

***Revenue Recognition***

**Campaign Contributions and Pledges**

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire during the period in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. Contributions that are required to be reported as net assets with donor restrictions are then reclassified to net assets without donor restrictions upon expiration of time restrictions or satisfaction of donor restrictions.

Campaign contributions, including unconditional promises to give ("pledges"), are recognized as revenue on the statement of activities in the period in which the promise is made. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

The Organization conducts a campaign annually that features contributor choice. Contributors may give through the United Way funds in which experienced local volunteers, who are knowledgeable of local urgent needs and who review and monitor programs, decide which services of certified agencies will receive money as well as to what extent.

Donations of property and equipment and other assets are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as an increase in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as donor restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

**United Way of St. Johns County, Inc.**  
**Notes to the Financial Statements**

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Donor Designated Campaign Contributions**

Contributors may give by designation to a specific agency as long as it is a not for profit, as determined by the Internal Revenue Service code 501(c)(3) and is approved by the Internal Revenue Service as eligible to receive charitable contributions that are deductible for federal income taxes. Contributions and pledges designated to specific agencies not yet paid are classified as current liabilities on the statement of financial position.

**Donor-Restricted Endowments**

As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The Organization's endowment consists of 2 individual funds established for specific purposes and are classified as donor-restricted funds. The Organization has interpreted the law governing management of endowment funds to require the maintenance of the historic dollar value of donor restricted donations. Income from the donor restricted endowments is recognized as without donor restriction income in accordance with the terms of the endowment. In accordance with the law, these funds are then available for expenditure when the specific donor criteria are met. In the absence of donor stipulations or law to the contrary, losses on the investments of a donor-restricted endowment fund reduce net assets without donor restrictions.

If losses reduce the assets of a donor-restricted endowment fund below the level required by the donor stipulations or law, gains that restore the fair value of the assets of the endowment fund to the required level are classified as increases in without donor restriction net position.

***Donated Assets***

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation. The Organization benefited from donated items during the year ended June 30, 2021, which have been included as in-kind expense on the statements of activities. The total donated was valued at \$30,276, all of which has been included as in-kind contribution revenue for the year ended June 30, 2021.

***Donated Services***

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also provided various services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

***Community Impact Payable***

The Organization makes unconditional promises to pay near the end of each fiscal year. The community impact payable represents that funding commitment at year end. These amounts are scheduled to be paid out by the next fiscal year.

**United Way of St. Johns County, Inc.**  
**Notes to the Financial Statements**

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Functional Expense Allocation***

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Accordingly, certain costs have been allocated among programs and other supporting services benefited. The allocations to agencies includes funding made directly to the various programs for operating needs, as well as other expenses and have been allocated to program services on the Statement of Functional Expenses. All other natural expense categories included in the Statement of Functional Expenses are allocated on the basis of estimates of time and effort.

***Advertising Expenses***

Advertising costs are expensed as incurred and totaled \$14,356 for the year ended June 30, 2021.

***Income Taxes***

Under section 501(c)(3) of the Internal Revenue Code, the Organization is exempt from taxes on income other than unrelated business income. Unrelated business income results from rent, administration of self-insurance activities, and commissions.

The Organization utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of June 30, 2021, the Organization has no uncertain tax provisions that qualify for recognition or disclosure in the financial statements.

***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, November 2, 2021, and determined there were no events that occurred that require disclosure.

***Accounting Pronouncements Issued but Not Yet Adopted***

Accounting Standards Update 2016-02

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). The guidance in this ASU and its amendments supersedes the leasing guidance in Topic 840, entitled Leases. Under the guidance, lessees are required to recognize assets and liabilities on the consolidated statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the consolidated statement of activities. For nonpublic entities, the standard is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Organization is currently evaluating the impact of this ASU on the Organization's financial reporting.

**United Way of St. Johns County, Inc.**  
**Notes to the Financial Statements**

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Accounting Standards Update 2020-07

In September 2020, the FASB issued ASU No. 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. This change in accounting principal is effective for fiscal years beginning after June 15, 2021. The Organization is evaluating the impact of this ASU on the Organization's financial reporting.

**Note 3 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Organization has \$2,032,427 of financial assets available within one year of the statement of financial position date to meet cash needs for general operating expenditures consisting of unrestricted cash and investments of \$1,692,802, accounts receivable of \$14,000, campaign pledges receivable, net of allowance for uncollectible pledges of \$309,334 and other assets of \$16,291. Unrestricted cash is not subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. A portion of contribution receivables are subject to timing and donor restrictions, but are expected to be collected within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its obligations become due.

**Note 4 - PLEDGES RECEIVABLE**

Pledges receivable (unconditional promises to give) consist of campaign pledges. The pledges are substantially collected within 12 months of the initial pledge. Therefore, no discount is reflected to adjust the pledges to the present value at the time of the pledge. Pledges receivable consist of the following:

<i>June 30, 2021</i>	
2019-2020 campaign	\$ 151,517
2020-2021 campaign	403,909
Less, allowance for uncollectible pledges	(246,092)
<b>Pledges receivable, net</b>	<b>\$ 309,334</b>

Uncollectible receivables totaled \$3,749 for the year ended June 30, 2021.

**United Way of St. Johns County, Inc.**  
**Notes to the Financial Statements**

**Note 5 – INVESTMENTS**

Investments consist of the following:

<i>June 30, 2021</i>	
Cash and cash equivalents	\$ 2,271
Mutual Funds	174,797
Equities	79,578
<hr/>	
Total	\$ 256,646

**Note 6 - PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

<i>June 30, 2021</i>	<i>Estimated useful lives (in years)</i>	
Land	-	\$ 18,000
Buildings and improvements	39	204,627
Furniture and equipment	3-10	56,528
<hr/>		
Total property and equipment		279,155
Less, accumulated depreciation		(128,394)
<hr/>		
Property and equipment, net		\$ 150,761

Depreciation expense for the year ended June 30, 2021 was \$14,411.

**United Way of St. Johns County, Inc.**  
**Notes to the Financial Statements**

**Note 7 – NET ASSETS**

The detail of the Organization’s net asset categories as follows:

<i>June 30, 2021</i>	
With donor restrictions:	
Building fund	\$ 2,000
Disaster relief	6,929
Empty stocking fund	46,547
Services to individual clients	24,332
Ring Power employee fund	15,920
RealSense program	4,246
Susan Harry endowment	107,000
St. Luke's Medical Organization endowment	30,000
<b>Total with donor restrictions</b>	<b>236,974</b>
Without donor restrictions:	
Undesignated	1,265,819
<b>Total without donor restrictions</b>	<b>1,265,819</b>
<b>Total net assets</b>	<b>\$ 1,502,793</b>

A summary of the release of donor restrictions follows:

<i>June 30, 2021</i>	
Purpose restrictions	
Individual emergency fund	\$ 11,381
COVID, including food drives	1,301
RealSense Program	1,301
Empty Stocking Fund	15,336
<b>Total net assets with donor restrictions</b>	<b>\$ 29,319</b>

**Note 8 – FAIR VALUE MEASUREMENTS**

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

*Level 1:* Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.



**United Way of St. Johns County, Inc.**  
**Notes to the Financial Statements**

**Note 8 – FAIR VALUE MEASUREMENTS (Continued)**

*Level 2:* Significant other observable inputs other than Level 1 prices, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices, that are:
  - observable; or
  - can be corroborated by observable market data.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

*Level 3:* Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2021.

*Common stocks:* Valued at the closing price reported on the active market on which the individual securities are traded.

*Corporate bonds:* Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

*Mutual funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

As a valuation technique, the Organization uses the market approach. The Organization's fair value measurements for assets that are measured on a recurring basis are quoted prices in active markets for identical assets and all investments are classified as level 1.

***Changes in Fair Value Levels***

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Management evaluated the significance of transfer between levels based upon the nature of the financial instrument and size of the transfer relative to total assets. For the year ended June 30, 2021, there were no significant transfers in or out of Levels 1, 2 or 3.

**United Way of St. Johns County, Inc.**  
**Notes to the Financial Statements**

**Note 9 - CONCENTRATIONS OF CREDIT RISK**

The Organization maintains cash deposits with financial institutions at June 30, 2021 in excess of federally insured limits of \$110,458.

**Note 10 - OTHER CONCENTRATIONS AND RISKS**

Concentrations of risk with respect to pledges receivable are limited due to the significant number of diverse contributors. However, the contributor base is concentrated in St. Johns and Putnam Counties, Florida.

**Note 11 – RELATED PARTY TRANSACTIONS**

During the year ended June 30, 2021, the Organization received contributions of \$11,811, respectively, from members of the Board of Directors.

During the year ended June 30, 2021, the Organization paid dues in the amount of \$23,705 to state and national affiliates.

**Note 12 - UNCERTAINTIES**

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the Organization. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.