

**FONDOS UNIDOS DE PUERTO RICO, INC.  
(UNITED WAY OF PUERTO RICO)  
(A Non-for-Profit Organization)**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTAL SCHEDULE**

**AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**



## TABLE OF CONTENTS

	<u>PAGE</u>
<b>INDEPENDENT AUDITORS' REPORT .....</b>	<b>1-2</b>
<b>FINANCIAL STATEMENTS:</b>	
Statements of Financial Position.....	3
Statements of Activities and Changes in Net Assets .....	4-5
Statements of Cash Flows.....	6
Statements of Functional Expenses .....	7-10
Notes to the Financial Statements.....	11-26
<b>INDEPENDENT AUDITORS' REPORT ON     SUPPLEMENTARY INFORMATION.....</b>	<b>27</b>
<b>SUPPLEMENTAL SCHEDULE OF DONATIONS     ALLOCATED TO AGENCIES.....</b>	<b>28-33</b>



## **INDEPENDENT AUDITORS' REPORT**

**To the Board of Governors of  
Fondos Unidos de Puerto Rico, Inc.  
(United Way of Puerto Rico)  
San Juan, Puerto Rico**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Fondos Unidos de Puerto Rico, Inc. (United Way of Puerto Rico) (a nonprofit organization), which comprises the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and changes in net assets, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

### **Managements' Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

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

**To the Board of Governors of  
Fondos Unidos de Puerto Rico, Inc.  
(United Way of Puerto Rico)  
Page 2**

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fondos Unidos de Puerto Rico, Inc. (United Way of Puerto Rico) as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Falcon Sanchez & Associates PSC.*

June 10, 2021

Stamp number E439501 was  
affixed to the original of this  
report.



**FONDOS UNIDOS DE PUERTO RICO, INC.**  
**(UNITED WAY OF PUERTO RICO)**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2020 AND 2019**

**3**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
Without donors restrictions	\$ 11,414,591	\$ 1,719,697
With donors restrictions	669,223	669,634
<b>INVESTMENT IN SECURITIES</b>	3,998,756	3,785,942
<b>UNCONDITIONAL PROMISES TO RECEIVE</b>		
Without donors restrictions, net of allowance for uncollectible promises to receive of \$149,800 for 2020 and \$193,500 for 2019, respectively	209,548	26,614
With donors restrictions, net of allowance for uncollectible promises to receive of \$269,351 for 2020 and \$299,710 for 2019, respectively	2,482,525	2,733,567
<b>ACCOUNTS RECEIVABLE</b>	207,041	307,020
<b>PROPERTY AND EQUIPMENT, NET</b>	607,053	688,998
<b>PREPAID EXPENSES AND OTHER ASSETS</b>	<u>30,329</u>	<u>32,646</u>
<b>TOTAL ASSETS</b>	<u>\$ 19,619,066</u>	<u>\$ 9,964,118</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>ACCOUNTS PAYABLE, ACCRUED EXPENSES AND DEFERRED REVENUE</b>	\$ 1,069,578	\$ 693,271
<b>UNCONDITIONAL PROMISES TO GIVE</b>		
Without donors restrictions	85,224	41,800
With donors restrictions	<u>596,968</u>	<u>719,434</u>
<b>TOTAL LIABILITIES</b>	<u>1,751,770</u>	<u>1,454,505</u>
<b>NET ASSETS</b>		
Without donors restrictions:		
Designated	10,000,000	-
Undesignated	4,660,383	5,825,846
With donors restrictions	<u>3,206,913</u>	<u>2,683,767</u>
<b>TOTAL NET ASSETS</b>	<u>17,867,296</u>	<u>8,509,613</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 19,619,066</u>	<u>\$ 9,964,118</u>

See accompanying notes and independent auditors' report.



**FONDOS UNIDOS DE PUERTO RICO, INC.**  
**(UNITED WAY OF PUERTO RICO)**  
**STATEMENTS OF ACTIVITIES AND**  
**CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**4**

	<u>Without donors</u> <u>restrictions</u>	<u>With donors</u> <u>restrictions</u>	<u>Total</u>
<b>REVENUES, GAINS AND SUPPORT</b>			
Gross campaign contributions, next year's campaign, net of allowance for uncollectible promises	\$ -	\$ 4,817,825	\$ 4,817,825
Gross campaign contributions, current and prior years' campaigns, net of donor designated and estimated uncollectible promises	1,103,481	-	1,103,481
Less donors designated	-	(1,071,337)	(1,071,337)
Net campaign revenue	<u>1,103,481</u>	<u>3,746,488</u>	<u>4,849,969</u>
Grants	1,216,824	77,000	1,293,824
Contributions, including in-kind of \$611,208	10,611,208	1,089,209	11,700,417
Investment return, net	324,489	-	324,489
Other income	558,948	-	558,948
Net assets released from restrictions	<u>4,389,551</u>	<u>(4,389,551)</u>	<u>-</u>
<b>TOTAL REVENUES, GAINS AND SUPPORT</b>	<u>18,204,501</u>	<u>523,146</u>	<u>18,727,647</u>
<b>EXPENSES</b>			
Program services:			
Fund distributions, including in-kind donations of \$572,627	3,961,171	-	3,961,171
Allocation services	224,709	-	224,709
Information and referral	103,108	-	103,108
Volunteer center	69,343	-	69,343
<i>Sembrando Futuro</i>	168,475	-	168,475
Special project (Department of Health)	1,180,269	-	1,180,269
Disaster relief	1,983,008	-	1,983,008
Other programs	<u>172,225</u>	<u>-</u>	<u>172,225</u>
<b>TOTAL PROGRAM SERVICES</b>	<u>7,862,308</u>	<u>-</u>	<u>7,862,308</u>
Supporting services:			
Management and general	791,893	-	791,893
Fundraising	<u>715,763</u>	<u>-</u>	<u>715,763</u>
<b>TOTAL SUPPORTING SERVICES</b>	<u>1,507,656</u>	<u>-</u>	<u>1,507,656</u>
<b>TOTAL EXPENSES</b>	<u>9,369,964</u>	<u>-</u>	<u>9,369,964</u>
<b>CHANGE IN NET ASSETS</b>	8,834,537	523,146	9,357,683
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>5,825,846</u>	<u>2,683,767</u>	<u>8,509,613</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 14,660,383</u>	<u>\$ 3,206,913</u>	<u>\$ 17,867,296</u>

See accompanying notes and independent auditors' report.



**FONDOS UNIDOS DE PUERTO RICO, INC.**  
**(UNITED WAY OF PUERTO RICO)**  
**STATEMENTS OF ACTIVITIES AND**  
**CHANGES IN NET ASSETS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**5**

	<u>Without donors</u> <u>restrictions</u>	<u>With donors</u> <u>restrictions</u>	<u>Total</u>
<b>REVENUES, GAINS AND SUPPORT</b>			
Gross campaign contributions, next year's campaign, net of allowance for uncollectible promises	\$ -	\$ 4,389,583	\$ 4,389,583
Gross campaign contributions, current and prior years' campaigns, net of donor designated and estimated uncollectible promises	1,306,086	-	1,306,086
Less donors designated	-	(1,160,530)	(1,160,530)
Net campaign revenue	<u>1,306,086</u>	<u>3,229,053</u>	<u>4,535,139</u>
Grants	860,689	118,973	979,662
Contributions, including in-kind of \$352,929	540,765	354,877	895,642
Investment return, net	469,812	-	469,812
Other income	242,954	14,322	257,276
Net assets released from restrictions	<u>5,240,813</u>	<u>(5,240,813)</u>	<u>-</u>
<b>TOTAL REVENUES, GAINS AND SUPPORT</b>	<u>8,661,119</u>	<u>(1,523,588)</u>	<u>7,137,531</u>
<b>EXPENSES</b>			
Program services:			
Fund distributions, including in-kind donations of \$350,568	4,263,096	-	4,263,096
Allocation services	214,189	-	214,189
Information and referral	119,599	-	119,599
Volunteer center	47,764	-	47,764
<i>Sembrando Futuro</i>	131,013	-	131,013
Special project (Department of Health)	817,493	-	817,493
Disaster Relief	1,291,450	-	1,291,450
Other programs	284,692	-	284,692
<b>TOTAL PROGRAM SERVICES</b>	<u>7,169,296</u>	<u>-</u>	<u>7,169,296</u>
Supporting services:			
Management and general	824,667	-	824,667
Fundraising	778,771	-	778,771
<b>TOTAL SUPPORTING SERVICES</b>	<u>1,603,438</u>	<u>-</u>	<u>1,603,438</u>
<b>TOTAL EXPENSES</b>	<u>8,772,734</u>	<u>-</u>	<u>8,772,734</u>
<b>CHANGE IN NET ASSETS</b>	(111,615)	(1,523,588)	(1,635,203)
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>5,937,461</u>	<u>4,207,355</u>	<u>10,144,816</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 5,825,846</u>	<u>\$ 2,683,767</u>	<u>\$ 8,509,613</u>

See accompanying notes and independent auditors' report.



**FONDOS UNIDOS DE PUERTO RICO, INC.**  
**(UNITED WAY OF PUERTO RICO)**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

**6**

	<u><b>2020</b></u>	<u><b>2019</b></u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 9,357,683	\$ (1,635,203)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	87,032	88,259
Unrealized gain on investments	(212,814)	(381,021)
Realized gain on investments	-	(2,485)
Provision for bad debt	(74,059)	(49,123)
(Increase) decrease in assets:		
Unconditional promises to receive and accounts receivable	242,146	737,848
Prepaid expenses and other assets	2,317	(3,122)
Increase (decrease) in liabilities:		
Accounts payable, accrued expenses, deferred income and unconditional promises to give	<u>297,265</u>	<u>(592,291)</u>
<b>Net cash provided by (used in) operating activities</b>	<u><b>9,699,570</b></u>	<u><b>(1,837,138)</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of equipment	(5,087)	(4,374)
Proceeds from sale of securities	-	14,252
Purchase of securities	<u>-</u>	<u>(201,624)</u>
<b>Net cash used in investing activities</b>	<u><b>(5,087)</b></u>	<u><b>(191,746)</b></u>
<b>INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	<b>9,694,483</b>	<b>(2,028,884)</b>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED AT BEGINNING OF YEAR</b>	<u><b>2,389,331</b></u>	<u><b>4,418,215</b></u>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR</b>	<u><u><b>\$ 12,083,814</b></u></u>	<u><u><b>\$ 2,389,331</b></u></u>

See accompanying notes and independent auditors' report.





**FONDOS UNIDOS DE PUERTO RICO, INC.**  
**(UNITED WAY OF PUERTO RICO)**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**PROGRAM SERVICES**

	<u>Fund</u>	<u>Allocation</u>	<u>Information</u>	<u>Volunteer</u>	<u>Sembrando</u>	<u>Special Project</u>	<u>Disaster</u>	<u>Other</u>	
	<u>Distributions</u>	<u>Services</u>	<u>and</u>	<u>Center</u>	<u>Futuro</u>	<u>Department</u>	<u>Relief</u>	<u>Programs</u>	<u>Total</u>
			<u>Referral</u>			<u>of Health</u>			
Allocations, including in-kind donations of \$572,627	\$ 3,961,171	\$ -	\$ -	\$ -	\$ -	\$ 791,465	\$ 566,858	\$ -	\$ 5,319,494
Salaries	-	130,926	57,265	45,709	94,765	205,301	41,407	2,338	577,711
Payroll taxes	-	12,136	1,900	4,061	8,579	17,841	4,302	206	49,025
Employees' benefits	-	15,483	8,236	1,962	7,645	14,654	3,173	-	51,153
Conference, convention and meetings	-	-	-	-	-	428	95	-	523
Depreciation	-	9,773	6,014	2,255	3,759	-	-	11,856	33,657
Film production	-	-	-	-	-	-	62,437	-	62,437
Occupancy	-	4,674	2,876	1,079	1,798	2,956	-	-	13,383
Postage and shipping	-	407	251	94	157	35	84	-	1,028
Printing, publications and promotions	-	-	-	1,597	-	25,987	686,561	12,291	726,436
Professional services	-	5	4,214	1	2,002	58,144	48,415	17,647	130,428
Repairs and maintenance	-	8,004	4,925	1,845	3,078	5,385	4,066	-	27,303
Supplies	-	855	526	197	329	7,101	6,273	423	15,704
Telephone, utilities and insurance	-	7,910	4,868	1,826	3,042	34,604	40,255	17,338	109,843
Travel local and outside	-	3,175	-	4,320	3,129	1,916	7,920	-	20,460
Volunteer, community and agency relations	-	12,471	103	39	32,927	14,360	508,184	110,126	678,210
United Way Worldwide members dues	-	16,575	10,200	3,825	6,375	-	-	-	36,975
Other expenses	-	2,315	1,730	533	890	92	2,978	-	8,538
<b>Total Expenditures</b>	<b>\$ 3,961,171</b>	<b>\$ 224,709</b>	<b>\$ 103,108</b>	<b>\$ 69,343</b>	<b>\$ 168,475</b>	<b>\$ 1,180,269</b>	<b>\$ 1,983,008</b>	<b>\$ 172,225</b>	<b>\$ 7,862,308</b>

See accompanying notes and independent auditors' report.



**FONDOS UNIDOS DE PUERTO RICO, INC.**  
**(UNITED WAY OF PUERTO RICO)**  
**STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**PROGRAM SERVICES**

	<b>Information</b>		<b>Special Project</b>						
<b>Fund</b>	<b>Allocation</b>	<b>and</b>	<b>Volunteer</b>	<b>Sembrando</b>	<b>Department</b>	<b>Disaster</b>	<b>Other</b>		
<b>Distributions</b>	<b>Services</b>	<b>Referral</b>	<b>Center</b>	<b>Futuro</b>	<b>of Health</b>	<b>Relief</b>	<b>Programs</b>	<b>Total</b>	
Allocations, including in-kind donations of \$350,568	\$ 4,263,096	\$ -	\$ -	\$ -	\$ -	\$ 368,739	\$ 395,424	\$ 8,400	\$ 5,035,659
Salaries	-	124,240	54,508	27,754	90,103	184,362	-	2,320	483,287
Payroll taxes	-	11,629	5,020	2,376	8,320	17,083	-	206	44,634
Employees' benefits	-	15,138	8,237	765	8,451	9,406	-	-	41,997
Conference, convention and meetings	-	296	-	-	20	9,272	-	2,159	11,747
Depreciation	-	9,932	6,113	2,292	3,820	-	-	11,856	34,013
Occupancy	-	4,674	2,875	1,078	1,798	1,661	-	-	12,086
Postage and shipping	-	549	338	126	211	56	-	-	1,280
Printing, publications and promotions	-	-	500	1,000	2,000	83,577	-	88,484	175,561
Professional services	-	9	15,955	2	4	36,304	75	35,020	87,369
Repairs and maintenance	-	6,730	4,142	1,551	2,600	8,704	-	-	23,727
Supplies	-	675	416	156	260	23,755	-	-	25,262
Telephone, utilities and insurance	-	6,737	4,146	1,555	2,591	39,116	-	15,845	69,990
Travel local and outside	-	6,398	167	5,903	4,689	10,591	1,691	17	29,456
Volunteer, community and agency relations	-	13,297	8,307	3	5	24,815	894,173	119,879	1,060,479
United Way Worldwide members dues	-	11,314	6,963	2,611	4,352	-	-	-	25,240
Other expenses	-	2,571	1,912	592	1,789	52	87	506	7,509
<b>Total Expenditures</b>	<b>\$ 4,263,096</b>	<b>\$ 214,189</b>	<b>\$ 119,599</b>	<b>\$ 47,764</b>	<b>\$ 131,013</b>	<b>\$ 817,493</b>	<b>\$ 1,291,450</b>	<b>\$ 284,692</b>	<b>\$ 7,169,296</b>

See accompanying notes and independent auditors' report.



**FONDOS UNIDOS DE PUERTO RICO, INC.**  
**(UNITED WAY OF PUERTO RICO)**  
**STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>SUPPORTING SERVICES</b>		
	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Salaries	\$ 493,931	\$ 410,639	\$ 904,570
Payroll taxes	36,145	38,134	74,279
Employees' benefits	58,606	45,964	104,570
Conference, convention and meetings	673	66	739
Depreciation	24,808	28,567	53,375
Film production	-	8,625	8,625
Occupancy	8,908	13,662	22,570
Postage and shipping	1,029	1,193	2,222
Printing, publications and promotions	1,528	24,094	25,622
Professional services	63,178	21,837	85,015
Repair & maintenance	15,125	23,397	38,522
Supplies	4,046	2,601	6,647
Telephone, utilities and insurance	12,480	23,160	35,640
Travel	21,113	17,059	38,172
Volunteer, community and agency relation	424	852	1,276
United Way Worldwide members dues	42,074	48,449	90,523
Other expenses	7,825	7,464	15,289
Total Expenditures	<u>\$ 791,893</u>	<u>\$ 715,763</u>	<u>\$ 1,507,656</u>

See accompanying notes and independent auditors' report.



**FONDOS UNIDOS DE PUERTO RICO, INC.**  
**(UNITED WAY OF PUERTO RICO)**  
**STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**10**

	<b>SUPPORTING SERVICES</b>		
	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Salaries	\$ 507,988	\$ 432,208	\$ 940,196
Payroll taxes	45,835	41,216	87,051
Employees' benefits	61,303	48,318	109,621
Conference, convention and meetings	12,169	4,735	16,904
Depreciation	25,213	29,033	54,246
Film production	-	4,795	4,795
Occupancy	10,203	13,662	23,865
Postage and shipping	1,403	1,604	3,007
Printing, publications and promotions	2,113	61,107	63,220
Professional services	66,173	26,573	92,746
Repair & maintenance	15,337	19,674	35,011
Supplies	2,013	2,378	4,391
Telephone, utilities and insurance	16,945	19,693	36,638
Travel	20,833	31,866	52,699
Volunteer, community and agency relation	260	35	295
United Way Worldwide members dues	28,722	33,074	61,796
Other expenses	8,157	8,800	16,957
Total Expenditures	<u>\$ 824,667</u>	<u>\$ 778,771</u>	<u>\$ 1,603,438</u>

See accompanying notes and independent auditors' report.



**NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Fondos Unidos de Puerto Rico, Inc. (United Way of Puerto Rico) (the Organization) is a non-for-profit organization incorporated under the laws of the Commonwealth of Puerto Rico on January 30, 1967 for the purpose of raising funds in annual campaigns to cover program services of its participating and partner agencies. The Organization, which is affiliated to United Way Worldwide, acts as the administrator of the Puerto Rico Public Employees Campaign (known as CBEP for its Spanish abbreviation).

**CBEP**

The CBEP is a fundraising activity promulgated by virtue of Act 168 of 1988 (the Act) administered by the Organization as the designated agency (hereinafter referred to as the designated agency). The activities mainly consist of a programmed fundraising campaign between Puerto Rico governmental employees through authorized payroll deductions and cash donations. Most of these donations are donor-designated, meaning the donor specified to what particular non-for-profit organization or agency the donated funds will go to.

Pursuant to executive order and other requirements, the CBEP is monitored by a ruling council and by an Executive Committee set forth by the Act with the oversight responsibilities of the campaign operations and supervision of the designated agency. The designated agency has the primary responsibility of coordinating the campaign among agencies and of distributing funds according to donors' specifications.

**CFC**

On August 8, 1982, the Local Federal Coordinator Committee (LFCC) of the U.S. Federal Office of Personnel Management (OPM) designated the Organization as the Principal Combined Fund Organization (PCFO) and was reappointed as PCFO for subsequent campaigns. The participant agencies or beneficiaries of the CFC consist of a diversity of not-for-profit organizations. Promises to give are received from federal employees through authorized payroll deductions and cash donations. The Organization's role as PCFO managing the Campaign funds ended as of March 31, 2018 for the Fall 2016 Puerto Rico and U.S. Virgin Islands Combined Federal Campaign.

As a federation, the Organization is honoring federal employee designations made to each member organization by distributing a proportionate share of receipts based on the results of each individual campaign following the U.S. Office of Personnel Management (OPM) regulation under Section 5 CFR Part 950.301(e)(2)(i) for the years ended December 31, 2020 and 2019.



NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (CONTINUED)

**Basis of Presentation**

The accompanying financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on the Organization as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions in the case of grants, and time stipulations for campaign contributions. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions and time availability.

The Organization follows the Financial Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*. This guidance is intended to improve the net asset classification requirements and the information presented in the financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows.

*Conditional promises*

Following ASU No. 2018-08, the Organization determines whether a contribution is conditional on the basis of whether an agreement includes a barrier that must be overcome and either right of return of assets transferred or a right of release of a promisor's obligation to transfer assets as determinable from the agreement or another document referenced in the agreement. Conditional promises are recognized as revenue when the Organization overcomes the barrier stated in the agreement.

*Net assets with donor restrictions*

For campaign contributions, net assets consist of activities subject to donor-imposed stipulations that will be met by the passage of time. They consist of net campaign contributions pledged and available for future periods. For grants, disaster relief, and other non-campaign contributions, net assets with donor restrictions consist of activities subject to donor-imposed restrictions that will be met by actions of the Organization.

*Net assets without donor restrictions*

Campaign contributions, which are available for current year use because the stipulated time period has elapsed, are reported as net assets without donor's restrictions (normally referred to as "prior year's campaign"). For grants and other non-campaign contributions, net assets are net resources not subject to donor-imposed restrictions or net resources for which stipulated conditions or restrictions have been fulfilled.

Revenues are reported as increases in net assets unless use of the related assets is limited by donor-imposed restrictions or campaign contributions related to future years. Expenses are reported as decreases in net assets.



NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (CONTINUED)

**Basis of Presentation (continued)**

Gains and losses on investments and other assets or liabilities, if any, are reported as increases or decreases in net assets unless their use is restricted by explicit donor stipulation. Expirations of net assets with donor's restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets (i.e., net assets released from restrictions). Unconditional promises to give are recognized as contribution revenue in the period in which the promise is received.

Donor-restricted contributions whose restrictions are met in the same reporting period are reported as with donor's restriction support in the statements of activities and changes in net assets.

*Designated net assets*

From time to time, the Organization designates net assets to cover certain projects suggested in the Organization's strategic plan. The Organization, also, receives grants without donor's restriction that are earmarked by the Organization for particular projects.

*Fund Distributions*

The Organization's allocation of campaign revenues cycle runs on a calendar year basis and participating agencies are usually notified during January and June of the Organization's intent to give. After the initial intent has been communicated to participating agencies, the Organization may confirm the unconditional promises to give or simply make the actual allocation payment. These intentions to give are not accrued in the financial statements because the Organization reserves the right to rescind such intentions.

*Promises to Give*

All unconditional promises to give are due in one year. Many unconditional promises to give are donor-designated related to CBEP and are recorded in the period in which the donor makes the promises. In general, these promises contain time restrictions that normally expire in the period following its recognition. Donor restricted promises are recorded, net of amounts expected to be remitted to the designated organizations as increases in net assets with donor restrictions. When the donor restrictions expire, net assets with donor restrictions are reclassified to net assets without donor restriction and are reported in the statement of activities and changes in net assets as net assets released from restrictions.

Prior to remitting the promises received to the designated agencies; the Organization retains a portion of these donations to cover administrative costs and campaign expenses.



NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Basis of Presentation (Continued)**

*Allowance for Uncollectible Unconditional Promises to Receive*

For the Organization, the reserve for uncollectible unconditional promises to receive (shrinkage) is based on a historical loss factor and a management estimate of future promises losses.

The loss factor is based on a realization analysis of the overall campaign, including corporate gifts, individual gifts, and employee workplace campaigns for the last three years. The factor applied to the current year campaign promises to receive represents an average of actual losses based on the past three years. Because of uncertainties inherent in the estimation process, management's estimate of uncollectible unconditional promises to receive may change.

For CBEP, the allowance method is used to determine the uncollectible unconditional promises to receive (shrinkage). The shrinkage is based on prior years' experience and management's analysis of specific promises made.

*Amounts Designated by Donors*

The Organization follows the Financial Accounting Standards Board (FASB) ASC 958-605, *Not-for-Profit Entities – Revenue Recognition*. ASC 958-605 requires, among other things, that when the recipient organization has no variance power over the assets received from donors, it should recognize the fair value of those assets as a liability to the specified beneficiary concurrent with the recognition of the assets received from the donor.

Accordingly, such contributions do not affect the statement of activities and changes in net assets and are presented against campaign results.

The following schedule details gross campaign contributions and distributions before and after amounts designated by donors for the years ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
<b><u>Without donors restriction</u></b>		
Total campaign contributions	\$ 2,180,792	\$ 2,498,592
Less amounts designated by donors	<u>(1,077,311)</u>	<u>(1,192,506)</u>
<b>Total campaign contributions, current and prior years' campaign per combined statements of activities and changes in net assets</b>	<u>\$ 1,103,481</u>	<u>\$ 1,306,086</u>





NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Basis of Presentation (continued)**

	<u>2020</u>	<u>2019</u>
<b><u>With donors restriction</u></b>		
Total campaign contributions, gross	\$ 5,683,019	\$ 5,663,498
Less conditional promises	(595,843)	(974,205)
Less allowance for uncollectible promises	<u>(269,351)</u>	<u>(299,710)</u>
Total campaign results, net	4,817,825	4,389,583
Less amounts designated by donors	<u>(1,071,337)</u>	<u>(1,160,530)</u>
<b>Net campaign revenue</b>	<u>\$ 3,746,488</u>	<u>\$ 3,229,053</u>

**Accounting Principles**

The accompanying financial statements have been prepared in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205, *Financial Statements of Not-for-Profit Organizations* following ASU No. 2016-14, which requires that all not-for-profit organizations to provide a statement of financial position, a statement of activities and changes in net assets, a statement of cash flows, and informative notes to the financial statements. ASC 958-205 also requires that net assets be presented in the statement of financial position based on the existence or absence of donor-imposed restrictions, as either net asset with donor restrictions or net assets without donor restrictions and that the amounts of change in each of those classifications be presented in the statement of activities. ASU No. 2016-14 expands to all not-for-profit organizations the requirement to present an analysis of expenses by functional and natural classifications. Functional information must be provided either on the face of the statement of activities, as a schedule in the notes to financial statements, or in a separate financial statement.

In addition to information about net assets with donor restrictions, all not-for-profit organizations will also be required to disclose, as of the end of the reporting period, the amounts and purposes of governing board designations, appropriations, and similar actions that result in self-imposed limits on the use of resources that are free of donor-imposed restrictions as well as to disclose both qualitative and quantitative information about how it manages its liquid resources.

**Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand and highly liquid debt instruments with original maturities of three months or less.



NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (CONTINUED)

**Accounting for Contributions Received and Made**

The Organization accounts for contributions received and contributions made under the provisions of FASB ASC 958-605, *Not-for-Profit Entities, Revenue Recognition*. ASC 958-605 requires that contributions received or made, including unconditional promises to give, be recognized as revenues or expenses in the period received or made at their fair values. Conditional promises to give, whether received or made, should be recognized when the stated barrier is overcome. ASC 958-605 also requires not-for-profit organizations to distinguish between contributions received that increase net assets with donor restrictions, and net assets without donor restrictions and to recognize the expiration of donor-imposed restrictions in the period in which the restrictions expire.

**Revenue Recognition**

Contributions received and unconditional promises to receive are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or restriction purpose is accomplished, net assets with donor restrictions and changes in net assets are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

The Organization follows the Financial Accounting Standards Update (ASU) No. 2018-08, *Not-For-Profit Entities (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU No. 2018-08 aims to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance like Topic 606, and (2) determining whether a contribution is conditional. In addition, the amendments provide additional guidance about how to determine whether a contribution is conditional.

We have analyzed the provisions of the FASB's ASC Topic 606, *Revenue from Contracts with Customers*, and have concluded that no changes are necessary to conform with the new standard. The Organization recognizes revenue from the sale of services under the Puerto Rico Department of Health PR-SRAE Program when the performance obligations under the contract are met. The services under the Program are provided over a period of time, rather than at a point in time.



NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (CONTINUED)

**Investment Securities**

The Organization reports its investment at market value in accordance with the FASB Accounting Standards Codification 958-320, *Not-for-Profit Entities-Investments-Debt & Equity Securities*. FASB ASC 958-320 requires investments in equity securities with readily determinable fair values and all investments in debt securities to be initially recorded at acquisition cost (net of brokerage and other fees) if purchased, or fair value if received by contribution or by agency transaction.

Thereafter, these investments are reported by the entity at fair value on the statement of financial position, and any net realized and unrealized gains and losses, dividends, and fees recorded in the statement of activities and changes in net assets as investment return, net pursuant to ASU No. 2016-14. Fair value of investments is determined based on quoted market prices.

**Property and Equipment, Net**

The Organization capitalizes all expenditures in excess of \$500 for property and equipment at cost. Contributed property and equipment is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as with donor restriction support. In the absence of such stipulation, contributions of property and equipment are recorded as without donor restriction support. Depreciation is computed using the straight-line method based on the estimated useful lives of the related assets (3 to 50 years). Routine repairs and maintenances are expensed as incurred.

**Donated Services**

A substantial number of volunteers donate their time to the Organization's program services and fund-raising campaigns. The value of this contributed time is not reflected in these financial statements.

**In-kind Donations**

In-kind donations of funds, materials and other items are reflected as contributions at their estimated fair market value at the date of receipt.

**Paycheck Protection Program**

The Company expects to meet the Paycheck Protection Program's (PPP) eligibility criteria and therefore, has concluded that the PPP loan represents, in substance, a grant that is expected to be forgiven. As a result, following the AICPA's Technical Questions and Answers Section 3200.18, the Company has accounted for the PPP loan following *FASB ASC 958-605, Not-for-Profit Entities-Revenue Recognition*, as a conditional contribution.



**NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Paycheck Protection Program (continued)**

Under FASB ASC 958-605 the timing of recognition for a contribution received depends on whether the contribution is conditional or not. If conditional, the contribution is not recognized until the conditions are substantially met or explicitly waived. The Organization would initially record the cash inflow from the PPP loan as a refundable advance. The Organization would then reduce the refundable advance and recognize the contribution once the conditions of release have been substantially met or explicitly waived. As of December 31, 2020, management believes that all conditions have been substantially met and the full amount of the PPP loan has been used for the purposes established in the program and has recorded the PPP loan as other income.

**Use of Estimates**

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

Major estimates relate to the loss factor on the allowance for uncollectible unconditional promises, depreciation, and certain accrued expenses, which have been consistently determined.

**Income Taxes**

The Organization is exempt from the payment of income taxes under Section 1101.01 (a)(2)(A) of the Puerto Rico Internal Revenue Code of 2011, as amended, and under Section 501(c)(3) of the United States Internal Revenue Code. The Organization has received the tax-exempt notifications from the Puerto Rico Department of Treasury, dated December 16, 2020, and the U.S. Internal Revenue Service, dated January 21, 2021, stating that it meets the provisions of the respective codes in order to be treated as exempt from income taxes.

**Reclassifications**

Certain reclassifications have been made to the prior year financial statements in order for them to conform to the current year presentation.

**NOTE B – CONCENTRATION OF CREDIT RISK**

Financial instruments that potentially subject the Organization to significant concentrations of risk consist primarily of cash and cash equivalents, investment securities, promises and other receivables. The Organization places its cash in high credit quality institutions where deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to a maximum of \$250,000. The uninsured cash balance amounted to approximately \$11.3 million and \$3.9 million as of December 31, 2020 and 2019, respectively.



**NOTE B – CONCENTRATION OF CREDIT RISK (CONTINUED)**

Concentrations of credit risk with respect to promises receivable are limited due to the Organization’s large number of donors. The Organization maintains allowances for potential credit losses. Actual losses have historically been within management's expectations and estimates.

**NOTE C – CASH, CASH EQUIVALENTS AND RESTRICTED CASH**

As of December 31, 2020 and 2019, cash and cash equivalents consist of the following:

	<u>2020</u>	<u>2019</u>
<b><u>Without donors restrictions</u></b>		
Operating and saving accounts	\$ 11,258,123	\$ 1,674,905
Money market investment	156,068	44,392
Non-interest bearing accounts	<u>400</u>	<u>400</u>
<b>Total Cash and cash equivalents without donors restrictions</b>	<b><u>\$ 11,414,591</u></b>	<b><u>\$ 1,719,697</u></b>
<b><u>With donors restrictions</u></b>		
<b>Subject to specific expenditure:</b>		
Disaster relief	\$ 496,052	\$ 428,326
<i>APRENDO, Sembrando Futuro, Bienestar</i> and others	<u>173,171</u>	<u>241,308</u>
<b>Total Cash and cash equivalents with donors restrictions</b>	<b><u>\$ 669,223</u></b>	<b><u>\$ 669,634</u></b>
<b>Total Cash, Cash equivalents and restricted cash</b>	<b><u>\$ 12,083,814</u></b>	<b><u>\$ 2,389,331</u></b>

**NOTE D – DESIGNATIONS**

As described in Note K, during the year ended December 31, 2020, the Organization received contributions without donor restrictions amounting to \$10 million for use for the tax-exempt purposes of the Organization. The Organization has designated the amount received to be used for various program initiatives including *Sembrando Futuro*, community investment and social equity programs, among others.



## NOTE E – FAIR VALUE MEASUREMENTS

The FASB ASC 820, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation on methodology include:

- 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 for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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 Organization invest mainly in two types of instruments, exchange traded funds and mutual funds. An **exchange-traded fund (ETF)** is an investment fund traded on stock exchanges, much like stocks. An ETF holds assets such as stocks, commodities, or bonds, and trades close to its net asset value over the course of the trading day. Most ETFs track an index, such as the S&P 500. A **mutual fund** is an investment fund that holds equity and fixed income securities, with some amounts of cash. The objective of an equity fund is long-term growth through capital gains. Specific equity funds may focus on a certain sector of the market or may be geared toward a certain level of risk. The objective of a fixed income fund is investment return with capital preservation.

The Organization's investments are reported at fair value of \$3,998,756 and \$3,785,942 of December 31, 2020, and 2019, respectively, in the accompanying statements of financial position. These investments are considered to be in Level 1 of the fair value hierarchy as they represent quoted prices in active markets for identical assets. Realized gain and loss amounting to \$0 and \$2,485, respectively, were recognized as part of the investment return, net line item in the statement of activities during the years ended December 31, 2020 and 2019, respectively.



**NOTE E – FAIR VALUE MEASUREMENTS (CONTINUED)**

	<u>Cost</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>
<b><u>December 31, 2020</u></b>			
Mutual funds - equities	\$ 1,067,302	\$ 1,141,425	\$ 1,141,425
Mutual funds - fixed income	1,798,958	1,999,302	1,999,302
Exchange traded products - equities	<u>615,160</u>	<u>858,029</u>	<u>858,029</u>
	<u>\$ 3,481,420</u>	<u>\$ 3,998,756</u>	<u>\$ 3,998,756</u>
	<u>Cost</u>	<u>Fair Value</u>	<u>(Level 1)</u>
<b><u>December 31, 2019</u></b>			
Mutual funds - equities	\$ 1,067,302	\$ 1,063,387	\$ 1,063,387
Mutual funds - fixed income	1,798,958	1,898,485	1,898,485
Exchange traded products - equities	<u>615,160</u>	<u>824,070</u>	<u>824,070</u>
	<u>\$ 3,481,420</u>	<u>\$ 3,785,942</u>	<u>\$ 3,785,942</u>

**NOTE F – CONDITIONAL PROMISES AND DEFERRED REVENUE**

The Organization had conditional promises amounting to approximately \$600 thousand and \$1 million as of December 31, 2020 and 2019, respectively, representing the matching portion of private corporations for the next campaign. Conditional promises amounting to \$15,116 and \$192,534 were received in advance and are included in the accounts payable, accrued expenses and deferred income line item in the statements of financial position as of December 31, 2020 and 2019, respectively. The remaining conditional promises to receive are not recorded in the financial statements.

**NOTE G – PROPERTY AND EQUIPMENT, NET**

Property and equipment on December 31, 2020 and 2019 consists of:

	<u>2020</u>	<u>2019</u>
<b>No being depreciated</b>		
Land	\$ 250,007	\$ 250,007
<b>Being depreciated</b>		
Building	1,433,180	1,433,180
Building improvements	615,364	615,364
Equipment, furniture and fixtures	<u>1,407,020</u>	<u>1,401,933</u>
	3,705,571	3,700,484
Less accumulated depreciation	<u>(3,098,518)</u>	<u>(3,011,486)</u>
<b>Property and Equipment, net</b>	<u>\$ 607,053</u>	<u>\$ 688,998</u>



**NOTE H – GRANTS**

Total grants presented in the statements of activities and changes in net assets for the years ended December 31, 2020 and 2019 are as follow:

	<u>2020</u>	<u>2019</u>
<b><u>Without donors restriction</u></b>		
Special Project: Department of Health (PR-SRAE)	\$ 1,216,824	\$ 860,689
<b><u>With donors restriction</u></b>		
Talleres Aprendo	46,000	118,973
Bienestar	10,000	-
Sembrando Futuro Initiative	21,000	-
	<u>77,000</u>	<u>118,973</u>
<b>Total Grants</b>	<b><u>\$ 1,293,824</u></b>	<b><u>\$ 979,662</u></b>

*Special Project: Department of Health (PR-SRAE)*

On October 2018, the Organization entered into a new service agreement with the Puerto Rico Department of Health to provide workshops to teens (ages 11-15) on public and private schools, community organizations, public housing, summer camps and others on matters related to sexual abstinence as per the *Plan Estatal del Programa Educativo para Evitar Riesgos Sexuales en Adolescentes para Puerto Rico* (PR-SRAE, per its English acronym). Additionally, the Organization is required to offer thirteen training sessions under the Relationship Smart Plus curriculum. This program is designed to help teens learn how to make wise choices about relationships, dating, partners, sex and others.

The most recent renewal of this agreement covers the period of October 1, 2020, through September 30, 2021, for an approved grant amounting to \$1,448,668 which will be paid in installments following the terms in the agreement.

As of December 31, 2020 and 2019, \$61,317 and \$169,981, respectively, were due from the Department of Health and recorded in accounts receivable in the accompanying statements of financial position. Additionally, as of December 31, 2020 and 2019, respectively, there were no amount due to the sub-contracted organizations pursuant to the agreement.





**NOTE I – EMPLOYEE BENEFIT PLAN**

The Organization sponsors a qualified defined contribution retirement plan for its employees. Participation in this plan is available to substantially all salaried and hourly employees. Contributions to the plan are based on a percentage of the employees' compensation, subject to the limits specified in the plan provisions. The Organization's contribution to the plan for the years ended December 31, 2020 and 2019 amounted to \$20,997 and \$21,188, respectively.

**NOTE J – COMMITMENTS AND OCCUPANCY**

The Organization leases from a third party its parking facilities at a rate of \$3,000 per month under an agreement, which expired on July 31, 2010, and is pending a formal renewal. Rent expense under this agreement amounted to approximately \$36,000 for both years.

**NOTE K – CONTRIBUTIONS**

During the years ended December 31, 2020, and 2019 the Organization received a total of \$1,089,209 and \$354,877, respectively, in disaster relief funds as a direct response from multiple third parties aimed at helping the Organization and its affiliated organizations in their recovery efforts related to recent disaster events including Hurricanes Irma and Maria, the 2019-2020 earthquakes and the COVID-19 pandemic.

The Organization released \$1,021,483 and \$1,138,429 from restrictions, including \$3,621 and \$35,488, related to administrative fees for the years ended December 31, 2020, and 2019, respectively. The Organization recognized disaster relief expenses of \$1,983,008 and \$1,291,450 during the years ended December 31, 2020, and 2019, respectively.

Additionally, during the year ended December 31, 2020, the Organization received a contribution from the National Philanthropic Trust (the Trust) amounting to \$10 million. The contribution does not specify any restrictions or conditions and the Trust provides that the funds are to be used for the tax-exempt purposes of the Organization. This contribution may not be used to provide anyone with a more than incidental private benefit, and it may not be used to carry on propaganda, to attempt to influence legislation or the outcome of any public election, in support of any political campaign or candidate for public office, or for any other form of lobbying. During the year ended December 31, 2020, the Organization had not used any portion of the funds.

During the year ended December 31, 2019, the Organization received a total of \$187,836 in disaster relief funds as a direct response from multiple third parties to support the Island of Bahama due to the passage of the hurricane Dorian during the month of September 2019. During the months of September and November of 2019, these funds were donated to United Way Miami-Dade with an additional support of the Organization of \$14,164 of the disaster relief fund resulting on a total transfer of \$202,000.



**NOTE L – OTHER INCOME**

Other income presented in the statements of activities and changes in net assets for the years ended December 31, 2020 and 2019 are the following:

	<u>2020</u>	<u>2019</u>
<b><u>Without donors restriction</u></b>		
Interest on bank accounts	\$ 4,080	\$ 6,223
Paycheck Protection Program (PPP)	317,000	-
Fundraising activities and others	<u>237,868</u>	<u>236,731</u>
<b>Total</b>	<u>\$ 558,948</u>	<u>\$ 242,954</u>
<b><u>With donors restriction</u></b>		
Fundraising activities and others	<u>\$ -</u>	<u>\$ 14,322</u>

**NOTE M – LIQUIDITY AND AVAILABILITY ON NET ASSETS**

The following reflects the Organization’s net assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date:

	<u>2020</u>	<u>2019</u>
Net assets	\$ 17,867,296	\$ 8,509,613
Less those unavailable for general expenditures within one year:		
Cash used for allocations to agencies and other specific purposes	(11,864,804)	(1,534,632)
Promises to receive with donor restrictions net of pledges payable	(1,885,557)	(2,014,133)
Property and equipment	<u>(607,053)</u>	<u>(688,998)</u>
Net assets available to meet cash needs for general expenditures within one year	<u>\$ 3,509,882</u>	<u>\$ 4,271,850</u>

The Organization is substantially supported by restricted campaign contributions. Because a donor’s restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure 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 general expenditures, liabilities, and other obligations come due. In the event of an unanticipated liquidity need, the Organization could draw upon approximately \$4 million and \$3.8 million of available investment in marketable securities as of December 31, 2020 and 2019, respectively.



**NOTE N – PAYCHECK PROTECTION PROGRAM (PPP) GRANT**

On May 5, 2020, the Company received \$317,000 under the Paycheck Protection Program (“PPP”) which is accounted for under the other income line item on the statement of activities and changes in net assets. The PPP, established as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), provides loans to qualifying businesses. In accordance with the CARES Act, the loans and accrued interest are forgivable after 6 months if the borrower uses the proceeds for eligible expenses. Amounts not forgiven, if any, is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. On December 8, 2020, the Organization requested the PPP loan forgiveness for the entirety of the proceeds received.

**NOTE O – RELEASED FROM RESTRICTIONS**

Net assets were released from donor restrictions by incurring expenses, satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors as follow:

	<u>2020</u>	<u>2019</u>
<b>Purpose restrictions accomplished</b>		
Disaster relief	\$ 1,021,483	\$ 1,138,429
<i>APRENDO</i> , <i>Bienestar</i> and others programs	154,425	270,824
<b>Time restrictions expired:</b>		
Pasage of specified time	<u>3,213,643</u>	<u>3,831,560</u>
Total restrictions released	<u>\$ 4,389,551</u>	<u>\$ 5,240,813</u>

**NOTE P – USE OF RESOURCES WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes or periods:

	<u>2020</u>	<u>2019</u>
<b>Subject to expenditure for specified purpose:</b>		
<i>APRENDO</i> , <i>Sembrando Futuro</i> , <i>Bienestar</i> and others	\$ 173,171	\$ 241,308
Disaster relief program	496,052	428,326
<b>Subject to the passage of time:</b>		
For periods after December 31, 2020 and 2019	<u>2,537,690</u>	<u>2,014,133</u>
<b>Total net assets with donors restrictions</b>	<u>\$ 3,206,913</u>	<u>\$ 2,683,767</u>



**NOTE Q – PANDEMIC LOCKDOWN**

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. On March 11, 2020, the World Health Organization (WHO) characterized COVID-19 as a global pandemic, resulting in mandates from federal, state, and local authorities requiring forced closures of non-essential services (as defined). As a result of the pandemic and following the Centers for Disease Control and Prevention (CDC) guidelines and recommendations, the Commonwealth of Puerto Rico ordered a complete lockdown of non-essential services, and such lockdown was in place through June 15, 2020. Although the lockdown was lifted, certain significant government restrictions continued throughout the rest of the year ended December 31, 2020.

While the Organization had temporarily closed its operations during the lockdown period, we have been able to partially operate remotely and, to date, have not experienced any material adverse effects on our operations. Additionally, the Organization has developed a COVID-19 risk management group with designated personnel in place to attempt to mitigate and evaluate the risks and business disruption associated with the virus.

**NOTE R – SUBSEQUENT EVENTS**

In response to the COVID-19 pandemic, Congress enacted the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The CARES Act established a Coronavirus Relief Fund (CRF) providing \$150 billion of which the Government of Puerto Rico received \$2.2 billion. The Government of Puerto Rico set aside up to \$20 million of the CRF funds for the Assistance to Non-Profits Supporting Vulnerable Populations Program (the Program). On February 2, 2021, the Organization signed an agreement with the Puerto Rico Fiscal Agency and Financial Advisory Authority (AAFAF for its Spanish acronym) and the Puerto Rico Department of Treasury (Hacienda) to provide grant administration services under the Program. As such, the Organization will be responsible, among other things, for all program operations and activities, including but not limited to, establishing standards, determining deadlines, reviewing proposals, marketing, and monitoring use of the funds. As of the date of the financial statements the Organization has received approximately \$19 million under the Program out of the \$20 million.

The Organization has continued to operate under normal circumstances mostly due to the Government of Puerto Rico having lifted most of the COVID-19 restrictions. The Organization will continue to monitor these events to adapt according to any new changes in regulations and restrictions.

On March 5, 2021, the Small Business Administration notified the Organization of its forgiveness of the PPP grant amounting to \$317,000 and related interest accrued. Additionally, the Organization collected \$1,033,801 related to the *PR-SRAE grant*.

Subsequent events have been evaluated through June 10, 2021, which is the date the financial statements were available to be issued.



**INDEPENDENT AUDITORS' REPORT  
ON SUPPLEMENTARY INFORMATION**

**To the Board of Governors of  
Fondos Unidos de Puerto Rico, Inc.  
(United Way of Puerto Rico)  
San Juan, Puerto Rico**

We have audited the basic financial statements of Fondos Unidos de Puerto Rico, Inc. (United Way of Puerto Rico) as of and for the years ended December 31, 2020 and 2019, and our report thereon dated June 10, 2021, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Supplemental Schedule of Donations Allocated to Agencies is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Falcon Sanchez & Associates PSC.*

June 10, 2021

Stamp number E439502 was  
affixed to the original of this  
report.



**FONDOS UNIDOS DE PUERTO RICO, INC.  
(UNITED WAY OF PUERTO RICO)  
SUPPLEMENTAL SCHEDULE OF DONATIONS  
ALLOCATED TO AGENCIES  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**28**

	<u>2020</u>	<u>2019</u>
Asamblea Familiar Virgilio Davila, Inc	\$ 37,460	\$ 40,943
Asesores Financieros Comunitarios, Inc	17,858	19,162
Asociación de Alzheimer y Desórdenes Relacionados de Puerto Rico, Inc.	18,547	20,221
Asociacion de Espina Bifida e Hidrocefalia de Puerto Rico, Inc.	49,950	53,817
Asociacion de Personas con Impedimentos, Inc.	26,708	31,336
Asociacion Educativa Pro Desarrollo Humano de Culebra, Inc.	44,802	48,086
Asociacion Mayaguezana de Personas con Impedimentos, Inc	33,839	37,015
Asociacion Pro Ciudadanos con Impedimentos de Sabana Grande, Inc.	20,221	21,721
Asociacion Pro Juventud y Comunidad de Barrio Palmas, Inc.	71,195	76,348
Asociacion Puertorriquena de Diabetes, Inc.	19,160	21,047
Banco de Alimentos de P.R. (Second Harvest of Puerto Rico, Inc.)	51,313	55,036
Bill's Kitchen, Inc.	35,815	38,456
Boy Scouts of America PR Council, Inc.	52,914	59,793
Boys and Girls Clubs of Puerto Rico, Inc.	62,299	66,830
Caritas de Puerto Rico, Inc.	50,093	44,155
Casa de la Bondad, Inc	30,011	32,824
Casa de Ninos Manuel Fernandez Juncos, Inc.	76,800	82,534
Casa del Peregrino, Inc	17,381	18,665
Casa Juan Bosco, Inc.	30,685	32,958
Casa la Providencia, Inc.	70,352	75,458
Casa Pensamiento Mujer del Centro, Inc.	47,988	51,473
Casa Protegida Julia de Burgos, Inc.	38,471	42,240
Centro Coameño para la Vejez, Inc.	25,405	27,772
Centro Comunitario Rvda Ines J Figueroa, Inc.	15,828	16,988
Centro Cultural y Servicios de Cantera, Inc	55,979	60,051
Centro de Ayuda a Niños con Impedimentos, Inc. (CANII)	49,163	53,059
Centro de Ayuda y Terapia al Nino con Impedimento, Inc. (AYANI)	62,961	67,712
Centro de Envejecientes Club de Oro, Inc.	40,812	43,825
Centro de Envejecientes Hogar Paz de Cristo	25,767	27,669
Centro de Envejecientes Juan de los Olivos, Inc.	27,056	29,581
Centro de Intervención e Integración Paso a Paso, Inc.	-	8,994
Centro de Orientación y Acción Social, Inc.	16,425	17,629
Centro de Renovacion y Desarrollo Humano Espiritual El Buen Pastor, Inc.	13,801	14,815
Centro de Respiro y Rehabilitacion San Francisco, Inc.	25,273	28,554
Centro de Servicios Comunitario Vida Plena, Inc.	21,253	22,812
Centro de Servicios Ferran, Inc.	47,157	50,588
Centro del Triunfo, Inc.	58,338	62,580
Centro Educativo Joaquina de Vedruna, Inc.	26,821	28,784
Centro Esperanza, Inc.	50,246	53,905
Centro ESPIBI, INC	52,457	57,561
Centro Geriátrico Caritativo La Milagrosa	14,495	16,397



**FONDOS UNIDOS DE PUERTO RICO, INC.  
(UNITED WAY OF PUERTO RICO)  
SUPPLEMENTAL SCHEDULE OF DONATIONS  
ALLOCATED TO AGENCIES (CONTINUED)  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**29**

	<u>2020</u>	<u>2019</u>
Centro Geriatrico El Remanso, Inc.	\$ 28,400	\$ 30,492
Centro la Providencia para Personas de Mayor Edad, Inc.	40,805	43,786
Centro Madre Dominga Casa Belen, Inc.	14,161	15,231
Centro Margarita, Inc.	57,919	62,194
Centro Nuevos Horizontes, Inc.	31,031	33,279
Centro para Ninos El Nuevo Hogar, Inc.	30,937	33,288
Centro Ramon Frade para Personas de Mayor Edad, Inc.	26,104	28,009
Centro Renacer, Inc.	25,671	27,566
Centro San Francisco, Inc	45,189	48,482
Centro Santa Luisa, Inc.	23,884	25,636
Centros Sor Isolina Ferre, Inc.	133,574	143,229
Christian Community Center, Inc.	12,971	13,932
Colegio de Educacion Especial y Rehabilitacion Integral, Inc. (CODERI)	35,325	37,938
Colegio San Gabriel, Inc.	47,216	50,705
Comite de Gericultura de Guayama, Inc.	18,903	27,007
Concilio Caribe de Ninas Escuchas	33,836	36,299
Concilio de la Comunidad, Inc.	-	1,874
Consejo Renal de Puerto Rico, Inc.	34,513	37,035
Corporacion Milagros del Amor, Inc.	19,992	25,751
CREARTE, Inc.	25,087	26,931
Cruz Roja Americana - Puerto Rico Chapter	121,959	115,404
Cuerpo de Voluntarios de Servicios Medicos de Emergencias, Inc.	25,386	27,754
Esperanza para la Vejez, Inc. (HOPE)	39,496	44,647
Forjando un Nuevo Comienzo, Inc.	13,195	14,461
Fundacion D.A.R., Inc.	41,292	44,326
Fundacion Dr. Garcia Rinaldi, Inc.	22,175	23,819
Fundacion Hogar Ninito Jesus, Inc.	56,062	60,540
Fundacion Puertorriquena del Rinon, Inc.	14,337	15,436
Fundación Puertorriqueña Síndrome Down	33,916	37,252
FUNDESCO - Fundacion de Desarrollo Comunal de PR, Albergue Los Pere,	19,883	12,405
FUNDESCO - Fundacion de Desarrollo Comunal de PR, Hogar La Piedad, l	11,288	21,712
Hogar Albergue de Niños de San Germán, Inc. (Portal de Amor)	28,408	31,176
Hogar Albergue para Niños Jesús de Nazaret, Inc.	48,771	52,432
Hogar Colegio La Milagrosa Inc.	20,586	22,122
Hogar Cuna San Cristóbal, Inc.	45,106	48,577
Hogar de Ayuda El Refugio Inc.	36,769	39,458
Hogar de Envejecientes Irma Fe Pol Mendez, Inc.	16,660	18,217
Hogar de Niñas de Cupey, Inc.	50,074	53,933
Hogar de Niños Forjadores de Esperanza, Inc.	44,782	49,057



**FONDOS UNIDOS DE PUERTO RICO, INC.  
(UNITED WAY OF PUERTO RICO)  
SUPPLEMENTAL SCHEDULE OF DONATIONS  
ALLOCATED TO AGENCIES (CONTINUED)  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**30**

	<u>2020</u>	<u>2019</u>
Hogar del Niño El Ave Maria, Inc.	\$ 51,668	\$ 55,653
Hogar Escuela Sor María Rafaela, Inc.	63,305	67,902
Hogar Fátima, Inc.	73,756	79,096
Hogar Infantil Jesús Nazareno	37,435	40,263
Hogar Infantil Santa Teresita del Niño Jesús, Inc.	26,128	28,129
Hogar Posada la Victoria, Inc.	19,935	22,626
Hogar Ruth, Inc.	29,596	29,673
Hogar Santa María de los Angeles, Inc.	25,782	27,675
Hogar Santa María Eufrasia, Inc.	13,639	14,652
Hogar Santísima Trinidad, Inc.	21,530	23,110
Hogares Rafaela Ybarra, Inc.	70,518	77,056
Hogares Teresa Toda, Inc.	45,219	48,584
Iniciativa Comunitaria de Investigación, Inc (ICI)	52,973	57,931
Institute for Individual Group and Organizational Development, Inc.	30,511	32,674
Instituto de Orientación y Terapia Familiar, Inc.	53,426	58,371
Instituto del Hogar Celia & Harry Bunker	28,246	30,871
Instituto Especial para el Desarrollo Integral del Individuo y la Comunidad, Inc. (Guanica)	38,228	48,980
Instituto Especial para el Desarrollo Integral del Individuo y la Comunidad, Inc. (Maricao)	43,324	47,330
Instituto Especial para el Desarrollo Integral del Individuo y la Comunidad, Inc. (Yauco)	38,071	49,410
Instituto Pre-Vocacional e Industrial de PR, Inc.	27,284	29,287
Instituto Psicopedagógico de Puerto Rico, Inc.	52,227	56,138
Instituto Santa Ana, Inc.	53,127	57,008
Jóvenes de Puerto Rico en Riesgo	34,193	37,400
Juan Domingo en Acción, Inc.	22,524	24,177
La Casa de Todos, Inc.	27,075	28,656
La Fondita de Jesus, Inc	66,222	66,436
Make a Wish Foundation of Puerto Rico, Inc.	50,188	54,096
Ministerio Ayuda al Necesitado Casa de Misericordia, Inc.	12,354	12,961
Misión Rescate, Inc.	24,610	28,841
Movimiento para el Alcance de Vida Independiente, Inc. (MAVI)	17,488	18,773
Oficina para la Promoción y el Desarrollo Humano, Inc.	31,285	34,192
Politécnico Amigo, Inc.	44,596	48,718
Programa de Apoyo y Enlace Comunitario, Inc. (PAEC)	27,575	29,582
Programa de Educacion Comunal de Entrega y Servicios, Inc. (PECES)	16,574	35,433
Programa del Adolescente de Naranjito, Inc.	30,553	32,780
Proyecto La Nueva Esperanza Inc	10,344	11,109
San Jorge Children's Research Foundation, Inc.	110,509	118,886





**FONDOS UNIDOS DE PUERTO RICO, INC.  
(UNITED WAY OF PUERTO RICO)  
SUPPLEMENTAL SCHEDULE OF DONATIONS  
ALLOCATED TO AGENCIES (CONTINUED)  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**31**

	<u>2020</u>	<u>2019</u>
Servicios Sociales Católicos - Diócesis de Mayaguez, Inc.	\$ 53,493	\$ 58,459
Sociedad Americana Contra el Cáncer de PR, Inc.	141,003	154,216
Sociedad de Educación y Rehabilitación (SER) de PR, Inc.	163,584	175,141
Sociedad Pro-Niños Sordos de Puerto Rico, Inc.	20,254	21,663
Sociedad Puertorriqueña de Epilepsia, Inc.	79,004	84,723
Taller Salud, Inc.	27,242	31,916
Travelers Aid of PR, Inc (Ayuda al Viajero)	26,919	28,883
YMCA de Ponce, Inc.	75,622	81,087
YMCA de San Juan, Inc.	70,630	75,744
Other (a)	1,576	2,285
In Kind Distribution	<u>340,725</u>	<u>350,568</u>
	5,330,832	5,769,930
Less: Designations	<u>(1,369,661)</u>	<u>(1,506,834)</u>
	3,961,171	4,263,096
 <b>Puerto Rico Department of Health-Distributions</b>		
Centros Sor Isolina Ferre, Inc.	391,465	177,046
Programa de Educacion Comunal de Entrega y Servicios, Inc. (PECES)	<u>400,000</u>	<u>191,693</u>
	791,465	368,739
 <b>Disaster Relief</b>		
Asociacion Mayaguezana de Personas con Impedimentos, Inc	2,500	-
Banco de Alimentos de P.R. (Second Harvest of Puerto Rico, Inc.)	27,000	-
Bill's Kitchen, Inc.	2,000	-
Boy Scouts of America PR Council, Inc.	-	40,000
Casa de la Bondad, Inc	800	-
Casa de Ninos Manuel Fernandez Juncos, Inc.	1,500	-
Casa del Peregrino, Inc	600	-
Casa la Providencia, Inc.	600	-
Casa Protegida Julia de Burgos, Inc.	400	-
Centro Coameño para la Vejez, Inc.	1,100	-
Centro Cultural y Servicios de Canteras, Inc	500	-
Centro de Envejecientes Club de Oro, Inc.	900	-
Centro de Envejecientes Hogar Paz de Cristo	400	-
Centro de Envejecientes Juan de los Olivos, Inc.	500	-
Centro Geriatrico El Remanso, Inc.	700	-
Centro la Providencia para Personas de Mayor Edad, Inc.	1,000	-



**FONDOS UNIDOS DE PUERTO RICO, INC.  
(UNITED WAY OF PUERTO RICO)  
SUPPLEMENTAL SCHEDULE OF DONATIONS  
ALLOCATED TO AGENCIES (CONTINUED)  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

32

	<u>2020</u>	<u>2019</u>
Centro para Ninos El Nuevo Hogar, Inc.	\$ 500	\$ -
Centro Ramon Frade para Personas de Mayor Edad, Inc.	1,100	-
Centro Renacer, Inc.	2,800	-
Centros Sor Isolina Ferre, Inc.	15,000	-
Comite de Gericultura de Guayama, Inc.	700	-
Consejo Renal de Puerto Rico, Inc.	500	-
Corporacion Milagros del Amor, Inc.	4,000	-
Cruz Roja Americana - Puerto Rico Chapter	3,000	-
Cuerpo de Voluntarios de Servicios Medicos de Emergencias, Inc.	2,500	-
Esperanza para la Vejez, Inc. (HOPE)	2,700	-
Fundacion Hogar Ninito Jesus, Inc.	1,700	-
FUNDESCO - Fundacion de Desarrollo Comunal de PR, Albergue Los F	3,700	-
FUNDESCO - Fundacion de Desarrollo Comunal de PR, Hogar La Pieda	1,200	-
Hogar Albergue de Niños de San Germán, Inc. (Portal de Amor)	2,400	-
Hogar Albergue para Niños Jesús de Nazaret, Inc.	2,000	-
Hogar Colegio La Milagrosa Inc.	4,100	-
Hogar Cuna San Cristóbal, Inc.	1,600	-
Hogar de Ayuda El Refugio Inc.	1,200	-
Hogar de Envejecientes Irma Fe Pol Mendez, Inc.	2,200	-
Hogar de Niñas de Cupey, Inc.	1,000	-
Hogar de Niños Forjadores de Esperanza, Inc.	1,200	-
Hogar del Niño El Ave Maria, Inc.	1,700	-
Hogar Escuela Sor María Rafaela, Inc.	3,500	-
Hogar Fátima, Inc.	2,300	-
Hogar Infantil Jesús Nazareno	1,600	-
Hogar Infantil Santa Teresita del Niño Jesús, Inc.	2,100	-
Hogar Posada la Victoria, Inc.	700	-
Hogar Ruth, Inc.	1,800	-
Hogar Santa María Eufrasia, Inc.	700	-
Hogar Santísima Trinidad, Inc.	500	-
Hogares Rafaela Ybarra, Inc.	900	-
Hogares Teresa Toda, Inc.	2,100	-
Iniciativa Comunitaria de Investigación, Inc (ICI)	18,000	-
Instituto Especial para el Desarrollo Integral del Individuo y la Comunida	95,437	-
Instituto Especial para el Desarrollo Integral del Individuo y la Comunida	23,000	-
Instituto Santa Ana, Inc.	1,300	-
La Casa de Todos, Inc.	2,000	-
La Fondita de Jesus, Inc	6,900	-
Misión Rescate, Inc.	200	-



**FONDOS UNIDOS DE PUERTO RICO, INC.  
(UNITED WAY OF PUERTO RICO)  
SUPPLEMENTAL SCHEDULE OF DONATIONS  
ALLOCATED TO AGENCIES (CONTINUED)  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**33**

	<u>2020</u>	<u>2019</u>
Programa de Educacion Comunal de Entrega y Servicios, Inc. (PECES)	\$ 20,000	\$ -
Sociedad Americana Contra el Cáncer de PR, Inc.	-	31,800
Travelers Aid of PR, Inc (Ayuda al Viajero)	5,500	121,624
YMCA de Ponce, Inc.	2,500	-
YMCA de San Juan, Inc.	28,619	-
United Way Miami Dade-Ayuda Bahamas	-	202,000
Honduras Ayuda Hermanos	9,000	-
Guatemala Ayuda Hermanos	9,000	-
Inkind distributions	<u>231,902</u>	<u>-</u>
	566,858	395,424
<b>Other distributions:</b>		
Casa de Ninos Manuel Fernandez Juncos, Inc.	-	1,600
Centro del Triunfo, Inc.	-	1,600
Colegio San Gabriel, Inc.	-	1,600
Fundacion Hogar Ninito Jesus, Inc.	-	1,600
Hogar Albergue de Niños de San Germán, Inc. (Portal de Amor)	-	1,600
Hogares Teresa Toda	<u>-</u>	<u>400</u>
	-	8,400
	<u>-</u>	<u>-</u>
<b>Total Allocations</b>	<b><u><u>\$ 5,319,494</u></u></b>	<b><u><u>\$ 5,035,659</u></u></b>

