

2022

United Way of Florida, Inc.

Financial Statements and
Independent Auditor's Report

June 30, 2022

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR’S REPORT**

**UNITED WAY OF FLORIDA, INC.
TALLAHASSEE, FLORIDA**

JUNE 30, 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Governors
United Way of Florida, Inc.
Tallahassee, Florida

Opinion

We have audited the accompanying financial statements of United Way of Florida, Inc. (the Organization), which comprise the statements of financial position as of June 30, 2022, 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 the Organization as of June 30, 2022, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Board of Governors
United Way of Florida, Inc.
Tallahassee, Florida

INDEPENDENT AUDITOR'S REPORT

Auditor's 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 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 the Organization'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 the Organization'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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 28, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.



April 26, 2023
Tallahassee, Florida

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021
UNITED WAY OF FLORIDA, INC. - TALLAHASSEE, FLORIDA

	2022	2021
Assets		
Cash on Deposit	\$ 221,526	\$ 243,249
Dues Receivable	14,348	1,940
Prepaid Expenses	12,500	-
Furniture and Equipment, Net of Depreciation	1,210	1,777
Total Assets	249,584	246,966
LIABILITIES AND NET ASSETS		
Liabilities		
Paycheck Protection Loan Payable	-	47,685
Accounts Payable	600	2,250
Agency Funds	155	155
Total Liabilities	755	50,090
Net Assets		
Without Donor Restrictions	228,781	177,800
With Donor Restrictions	20,048	19,076
Total Net Assets	248,829	196,876
Total Liabilities and Net Assets	\$ 249,584	\$ 246,966

See accompanying notes.

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021
UNITED WAY OF FLORIDA, INC. - TALLAHASSEE, FLORIDA

	2022	2021
Net Assets Without Donor Restrictions		
Revenue and Support		
Membership Dues	\$ 405,380	\$ 378,463
Other Grants and Contributions	5,439	8,985
Capital Day	7,488	-
Administrative Fees	12,297	17,537
UWA Grant	-	8,075
Meetings	914	-
Interest Income	71	72
PPP Income	44,122	-
Total Revenues and Support Without Donor Restrictions	475,711	413,132
Net Assets Released from Restrictions	-	423
Expenses		
Program Services:		
Member Services	314,298	248,466
Public Policy	59,463	47,007
Other Contracts and Grants	8,496	13,138
Support Services	42,473	33,577
(Total Expenses)	(424,730)	(342,188)
Increase (Decrease) in Net Assets Without Donor Restrictions	50,981	71,367
Net Assets With Donor Restrictions		
Revenues and Support		
Disaster Fund Contributions	972	723
Net Assets Released from Restrictions	-	(423)
Increase (Decrease) in Net Assets With Donor Restrictions	972	300
Increase (Decrease) in Net Assets	51,953	71,667
Net Assets, Beginning of Year	196,876	125,209
Net Assets, End of Year	\$ 248,829	\$ 196,876

See accompanying notes.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022,
WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021
UNITED WAY OF FLORIDA, INC. - TALLAHASSEE, FLORIDA

	Member Services	Public Policy	Other Contracts and Grants	Support Services	2022 Total Functional Expenses	2021 Total
Personnel Costs	\$ 211,430	\$ 40,001	\$ 5,714	\$ 28,572	\$ 285,717	\$ 264,888
Contract Services	50,875	9,625	1,375	6,875	68,750	21,500
Professional Fees	7,867	1,488	213	1,063	10,631	9,927
Office Supplies	998	189	27	135	1,349	4,724
Communications	4,016	760	109	543	5,428	6,007
Postage	421	80	11	57	569	187
Occupancy	8,384	1,586	227	1,133	11,330	11,330
Printing	118	22	3	16	159	142
Meetings and Workshops	19,007	3,596	514	2,568	25,685	3,908
Professional Dues and Subscriptions	7,536	1,426	204	1,018	10,184	9,491
Insurance	2,204	417	60	298	2,979	2,941
Miscellaneous	654	124	18	88	884	363
Grants and Contributions to Others	-	-	-	-	-	6,000
Disaster Fund Expense	-	-	-	-	-	423
Interest Expense	36	7	1	5	49	-
Bad Debt Expense	332	63	9	45	449	-
Depreciation Expense	420	79	11	57	567	357
Total Expenses	\$ 314,298	\$ 59,463	\$ 8,496	\$ 42,473	\$ 424,730	\$ 342,188

See accompanying notes.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021
UNITED WAY OF FLORIDA, INC. - TALLAHASSEE, FLORIDA

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities		
Cash Provided from Members	\$ 392,523	\$ 382,521
Cash Provided from Contributions	27,110	34,320
Cash Paid to Employees for Services	(285,720)	(264,888)
Cash Paid to Vendors for Goods and Services	(152,144)	(82,880)
Interest Received	71	72
Net Cash (Used in) Provided by Operating Activities	<u>(18,160)</u>	<u>69,145</u>
Cash Flows from Investing Activities		
Purchase of Property and Equipment	-	(1,149)
Net Cash (Used in) Investing Activities	<u>-</u>	<u>(1,149)</u>
Cash Flows from Financing Activities		
Proceeds Repaid from Paycheck Protection Loan	(3,563)	-
Net Cash Provided by Financing Activities	<u>(3,563)</u>	<u>-</u>
Net (Decrease) Increase in Cash	(21,723)	67,996
Cash, Beginning of Year	<u>243,249</u>	<u>175,253</u>
Cash, End of Year	<u>\$ 221,526</u>	<u>\$ 243,249</u>

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS
UNITED WAY OF FLORIDA, INC. - TALLAHASSEE, FLORIDA

Note 1 - Organization and Purpose

United Way of Florida, Inc. (the Organization) is a Florida not-for-profit organization established in 1980. It is directed by a Board of Governors comprised of representatives from member United Ways, both volunteers and United Way executives. The Organization exists to serve Florida's 28 local United Ways by providing the membership with a united front on issues of statewide significance in the area of human services, by identifying and pursuing statewide public policy issues, by providing activities and programs that enhance their members' abilities to fulfill their missions, and by facilitating the use of the resources of the United Way of America. The mission of the Organization is to enhance Florida United Ways' efforts to increase the organized capacity of people to care for one another.

The Organization receives member dues from the local United Way members to fund its operations. The dues are based on net campaign revenue.

Areas of priority importance to the Organization include:

- Public Policy - Leadership in the formation and advocacy of public policy as it relates to health and human services.
- ALICE (Asset Limited, Income Constrained, Employed) - Provide statewide leadership and member support to increase awareness of, and programs and advocacy for, the ALICE population.
- United Way Training - Leadership in providing training, networking, and information sharing opportunities for United Ways.

In addition to those three focus areas, the Organization provides general services relating to the array of issues facing non-profits to its members. The Organization has received grants for specific programs or initiatives, including advocacy support for children's issues and for assisting in the preparation of tax returns for low income working Floridians and Florida families.

Note 2 - Summary of Significant Accounting Policies

The Organization prepares its financial statements using the accrual basis of accounting, which is generally accepted.

Revenue Recognition

Member dues are recognized as income over the period to which the dues relate. Member dues collected in advance of the service period, if any, are deferred at year-end. Membership dues, which are non-refundable, comprise an exchange element based on the value of benefits provided.

The Organization also receives contributions and grants from businesses and United Way Worldwide. Contributions received are recorded as without donor restrictions or with donor restrictions depending on the nature of any donor restrictions. Donor restricted contributions are reclassified to net assets without donor restrictions when the purpose of the restriction is accomplished. The Organization also receives administrative fees from the United Way Worldwide associated with programs/grants. These administrative fees are recognized as the programs/grants are completed.

NOTES TO FINANCIAL STATEMENTS
UNITED WAY OF FLORIDA, INC. - TALLAHASSEE, FLORIDA

Agency Funds

Agency funds are used to account for receipts that are not owned or controlled by the Organization. The Organization acts as fiscal agent for these funds by accounting for receipts deposited and disbursements made at the direction of the entity from whom they were received. These funds belong to the Clearinghouse on Human Services.

Financial Statement Presentation

Financial statement presentation follows *Accounting Standards Codification (ASC) 958-205, Financial Statements for Not-For-Profit Organizations*. Under ASC 958-205, the Organization is required to report information regarding its financial position and activities as follows:

■ **Without Donor Restrictions**

Net assets that are not subject to donor-imposed stipulations.

■ **With Donor Restrictions**

Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. When a restriction expires, with donor restrictions assets are reclassified to without donor restrictions and reported in the statement of activities as net assets released from restrictions. Amounts reported as With Donor Restrictions as of June 30, 2022, are restricted by donors for disaster relief.

Functional Allocation of Expenses

The cost of the Organization's programs has been summarized on a functional basis in the statement of activities. Expenses that are directly identifiable with a specific program or initiative are charged to that program. Expenses that relate to both programs and general operations of the Organization are allocated based on management's best estimates of time spent or benefits provided.

Cash on Deposit

Cash consists of funds held in an interest-bearing checking account. Accounts at each banking institution are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. At times, the balances have exceeded the amounts covered by FDIC insurance. The Organization believes that there is no significant risk with respect to these account balances.

Furniture and Equipment

Office furniture and equipment is reported at cost and depreciated over the assets' estimated useful lives using the straight-line method. Acquisitions in excess of \$1,000 are capitalized. Estimated useful lives range from 5-7 years for furniture and 3-5 years for office equipment.

Use of Estimates

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

NOTES TO FINANCIAL STATEMENTS
UNITED WAY OF FLORIDA, INC. - TALLAHASSEE, FLORIDA

Date of Management Review

Subsequent events were evaluated through April 26, 2023, which is the date the financial statements were available to be issued. As of this date, no subsequent events were noted.

Comparative Data

The amounts shown for the fiscal year ended June 30, 2021, in the accompanying statement of functional expenses present summarized comparative totals only. Accordingly, the 2021 totals are not intended to present all information necessary for a fair presentation in conformity with accounting principles generally accepted in the United States of America. Such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2021, from which the summarized comparative information was derived.

Adoption of New Accounting Standard

During the fiscal year ended June 30, 2022, the Organization adopted Accounting Standards Update (ASU) No. 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The update to this standard requires non-profit organizations to present contributed non-financial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. The update also increases disclosure requirements regarding contributed non-financial assets, including disaggregation of the amount of contributed non-financial assets recognized within the statement of activities by the category that depicts the type of contributed non-financial assets. Adoption of this standard did not have a significant impact on the financial statements.

Accounting Pronouncements Issued But Not Yet Adopted

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-02, *Leases*. The new standard establishes a right-of-use (ROU) model that requires a lessee to record an ROU asset and a lease liability on the balance sheet 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 income statement. The new standard is effective for fiscal years beginning after December 15, 2021. The Organization is currently evaluating the impact of its pending adoption of the new standard on its financial statements.

Note 3 - Furniture and Equipment

Furniture and equipment consists of the following for the years ended June 30:

	2022	2021
Furniture and Equipment	\$ 6,743	\$ 6,743
(Less Accumulated Depreciation)	(5,533)	(4,966)
Total	\$ 1,210	\$ 1,777

Note 4 - Retirement Plan

The Organization has a retirement plan and deferred compensation plan, which cover employees over the age of 21. Employees may contribute the maximum amount allowed by law. The Organization contributed 9% of participants' compensation for 2022 and 2021. Contributions to the plan for the years ended June 30, 2022 and 2021, were \$17,976 and \$17,745, respectively.

NOTES TO FINANCIAL STATEMENTS
UNITED WAY OF FLORIDA, INC. - TALLAHASSEE, FLORIDA

Note 5 - Leases

The Organization leases its office space from the United Way of the Big Bend. The agreement is from year to year. Rent expense totaled \$11,330 and \$11,330 for the years ended June 30, 2022 and 2021, respectively.

Note 6 - Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and has been classified as an other-than private foundation. Therefore, no provision for income taxes has been recorded.

The FASB issued guidance that requires tax effects from an uncertain tax position to be recognized in the financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged. If an uncertain tax position meets the more-likely-than-not threshold, the largest amount of tax benefit that is greater than 50% likely to be recognized upon ultimate settlement with the taxing authority is recorded. The Organization is exempt from income tax under IRC Section 501(c)(3), though it is subject to tax on income to its exempt purposes, unless that income is otherwise excluded by the IRC. There are no tax positions for which a material change in any unrecognized tax benefit liability is reasonably possible in the next 12 months. There is no interest or penalties recognized in the income statement or balance sheet. The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, are subject to examination by the Internal Revenue Service, generally for three years after they are filed.

Note 7 - Net Assets

The Organization continues to receive contributions for victims of hurricanes. These funds were received and distributed to the affected counties in Florida. The remaining balance will be distributed in the future. The following table details the contributions received for these net assets with donor restrictions:

	Hurricane Contributions
Balance - June 2020	\$ 18,776
Received	723
Distributed	(423)
Balance - June 2021	19,076
Received	972
Distributed	-
Balance - June 2022	\$ 20,048

The Organization's net assets without donor restrictions include amounts that are designated by its Board of Governors for specific purposes. This includes \$23,500 earmarked for future disasters.

Note 8 - Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

NOTES TO FINANCIAL STATEMENTS
UNITED WAY OF FLORIDA, INC. - TALLAHASSEE, FLORIDA

	2022	2021
Organization's Financial Assets, at June 30		
Cash on Deposit	\$ 221,526	\$ 243,249
Dues Receivable	14,348	1,940
Total Financial Assets	235,874	245,189
Less Those Unavailable for General Expenditures within One Year, Due to:		
Contractual or Donors Imposed Restrictions:		
Restricted by Donors or with Time or Purpose Restrictions	(20,048)	(19,076)
Organization's Financial Assets Available to Meet Cash Needs for Expenditures within One Year	\$ 215,826	\$ 226,113

Note 9 - Paycheck Protection Loan

In May of 2020, the Organization received loan proceeds in the amount of \$47,685 under the Paycheck Protection Program (PPP). The PPP, established as part of the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act) as amended by the *Paycheck Protection Program Flexibility Act of 2020*, provides loans to qualifying businesses for amounts up to 2.5 times the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities, and maintains its payroll levels. Under provisions of the CARES Act, the Organization submitted an application for debt forgiveness, which was approved on September 16, 2021. Of the original amount, \$44,122 was forgiven and the Organization repaid \$3,563 from the original loan proceeds.

Note 10 - Subsequent Events

Hurricane Ian caused destruction to multiple Florida counties. Subsequent to year-end, the Organization received individual and corporate contributions to the United Way of Florida Disaster Recovery Fund. These funds were received and distributed based on a formula to the most impacted counties in Florida. Any remaining balance will be distributed in the future. As of the reporting date, the Organization has received \$2,223,460 in contributions and \$2,199,110 has been disbursed.

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