

**United Way of
St. Lucie & Okeechobee, Inc.**

ANNUAL FINANCIAL REPORT

**June 30, 2022
(with summarized comparative financial information
for the year-ended June 30, 2021)**

**United Way of
St. Lucie & Okeechobee, Inc.**

ANNUAL FINANCIAL REPORT

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Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

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Report of Independent Auditors

To the Board of Directors
United Way of St. Lucie & Okeechobee, Inc.

Opinion

We have audited the accompanying financial statements of United Way of St. Lucie & Okeechobee, Inc. (the "Organization"), (a non-profit organization), which comprise the statement of financial position as of June 30, 2022 and the related statements of activities, cash flows and functional expenses for the year then ended and the related notes to financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of United Way of St. Lucie & Okeechobee, Inc. as of June 30, 2022, and the changes in its net assets and 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 United Way of St. Lucie & Okeechobee, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report on Summarized Comparative Information

We have previously audited the Organization's June 30, 2021 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 22, 2021. 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.

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To the Board of Directors
United Way of St. Lucie & Okeechobee, Inc.

Responsibilities of Management for the Financial Statements

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

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

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 GAAS 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 GAAS, 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.



Berger, Toombs, Elam,
Gaines & Frank
Certified Public Accountants PL

To the Board of Directors
United Way of St. Lucie & Okeechobee, Inc.

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.

*Berger Toombs Elam
Gaines + Frank*

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

November 16, 2022

United Way of St. Lucie & Okeechobee, Inc.
STATEMENT OF FINANCIAL POSITION
June 30, 2022
(With Comparative Totals at June 30, 2021)

	2022	2021
ASSETS		
Current assets		
Cash and cash equivalents	\$ 607,107	\$ 501,085
Accounts receivable	68,993	31,506
Contributions receivable, net of allowance	478,181	492,738
Interest receivable	8,104	7,004
Prepaid expenses	1,257	-
Inventory	213,388	246,700
Total Current Assets	1,377,030	1,279,033
Non-current assets		
Investments	2,576,580	2,604,013
Fixed assets		
Office equipment	21,274	50,928
Less - accumulated depreciation	(13,350)	(40,570)
Total Non-Current Assets	2,584,504	2,614,371
Total Assets	\$ 3,961,534	\$ 3,893,404
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 3,886	\$ 2,562
Designations payable	22,481	25,770
Allocations to member agencies	698,895	430,045
Deferred revenue	2,397	-
Total Current Liabilities	727,659	458,377
Non-current liabilities		
PPP loan payable	-	75,000
Total Liabilities	727,659	533,377
Net assets		
With donor restrictions	436,612	498,754
Without donor restrictions-board designated		
Endowment	1,579,539	1,719,049
Disaster relief	100,000	100,000
Initiatives	152,270	156,521
Without donor restrictions	965,454	885,703
Total Net Assets	3,233,875	3,360,027
Total Liabilities and Net Assets	\$ 3,961,534	\$ 3,893,404

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

United Way of St. Lucie & Okeechobee, Inc.
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022
(With Summarized Comparative Information for the Year Ended June 30, 2021)

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2022	2021
Support and Revenues				
Campaign results				
Annual campaign	\$ 935,794	\$ 428,181	\$ 1,363,975	\$ 1,474,307
Less: Amounts designated to other agencies	(189,457)	-	(189,457)	(189,556)
Less: Provisions for uncollectable pledge losses	(143,832)	-	(143,832)	(150,952)
Net Campaign Revenues	<u>602,505</u>	<u>428,181</u>	<u>1,030,686</u>	<u>1,133,799</u>
Hurricane/disaster relief funds	10,000	-	10,000	1,065
In-kind contributions	12,190	-	12,190	16,933
Investment return	(87,649)	-	(87,649)	417,360
Contributions/grants/miscellaneous/ special event income, net of \$6,951 expenses	189,040	13,500	202,540	239,323
Forgiveness of PPP loan	75,000	-	75,000	84,500
Net assets released from restrictions	503,823	(503,823)	-	-
Total Support and Revenues	<u>1,304,909</u>	<u>(62,142)</u>	<u>1,242,767</u>	<u>1,892,980</u>
Expenses				
Program Services				
Allocations to others	670,761	-	670,761	507,293
Disaster relief	-	-	-	1,065
Community services	319,630	-	319,630	284,021
Tools for schools	88,708	-	88,708	126,362
Community partnership schools	81,776	-	81,776	-
Total Program Services	<u>1,160,875</u>	<u>-</u>	<u>1,160,875</u>	<u>918,741</u>
Supporting Services				
General and administrative	56,085	-	56,085	65,994
Fundraising	143,332	-	143,332	148,186
Total Supporting Services	<u>199,417</u>	<u>-</u>	<u>199,417</u>	<u>214,180</u>
Total Expenses	<u>1,360,292</u>	<u>-</u>	<u>1,360,292</u>	<u>1,132,921</u>
Change in Net Assets Before Loss	(55,383)	(62,142)	(117,525)	760,059
Loss on disposal of fixed assets	(8,627)	-	(8,627)	-
Change in Net Assets	(64,010)	(62,142)	(126,152)	760,059
Net Assets - July 1, 2021	<u>2,861,273</u>	<u>498,754</u>	<u>3,360,027</u>	<u>2,599,968</u>
Net Assets - June 30, 2022	<u>\$ 2,797,263</u>	<u>\$ 436,612</u>	<u>\$ 3,233,875</u>	<u>\$ 3,360,027</u>

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

United Way of St. Lucie & Okeechobee, Inc.
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ (126,152)	\$ 760,059
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	2,137	2,337
Loss on disposal of fixed assets	8,627	-
Loss on receipt of remainder trust	-	47,225
Net unrealized and realized gain on investments	154,605	(352,973)
Forgiveness of PPP loan	(75,000)	(84,500)
(Increase)/decrease in assets:		
Accounts receivable	(37,487)	(31,506)
Contributions receivable	14,557	(137,599)
Interest receivables	(1,100)	(2,108)
Inventory	33,312	58,586
Prepaid expenses	(1,257)	-
Increase/(decrease) in current liabilities:		
Accounts payable and accrued expenses	1,324	(33,406)
Deferred revenues	2,397	-
Designations payable	(3,289)	1,063
Allocations to member agencies	268,850	(46,623)
Net cash provided by operating activities	<u>241,524</u>	<u>180,555</u>
Cash Flows from Investing Activities		
Purchases of marketable securities	(1,822,898)	(2,231,032)
Proceeds from sales of marketable securities	1,695,726	1,938,958
Purchases of fixed assets	(8,330)	(1,078)
Net cash used by investing activities	<u>(135,502)</u>	<u>(293,152)</u>
Cash Flows from Financing Activities		
Issuance of PPP loan	-	75,000
Net change in cash and cash equivalents	106,022	(37,597)
Cash and cash equivalents, July 1, 2021	<u>501,085</u>	<u>538,682</u>
Cash and cash equivalents, June 30, 2022	<u>\$ 607,107</u>	<u>\$ 501,085</u>
Supplemental disclosures of cash flow information:		
School Supplies Donations	\$ 38,170	\$ 48,360
School Supplies Distributions	\$ 71,482	\$ 106,946

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

United Way of St. Lucie & Okeechobee, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2022
(With Summarized Comparative Information for the Year Ended June 30, 2021)

	Program Services				Supporting Services			Total Expenses		
	Allocations To Others	Community Services	Tools for Schools	Community Partnership Schools	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	2022	2021
Allocations/Distributions										
Allocations to member agencies	\$ 790,638	-	\$ -	\$ -	\$ 790,638	\$ -	\$ -	\$ -	\$ 790,638	\$ 541,556
Distributed school supplies	-	-	71,482	-	71,482	-	-	-	71,482	156,358
Special allocations to charitable organizations	69,580	-	-	-	69,580	-	-	-	69,580	106,946
Less donor designations	(189,457)	-	-	-	(189,457)	-	-	-	(189,457)	(189,556)
Total Allocations/Distributions	670,761	-	71,482	-	742,243	-	-	-	742,243	615,304
Compensation										
Salaries	-	187,033	-	47,995	235,028	33,728	85,851	119,579	354,607	307,820
Payroll taxes	-	14,444	-	3,715	18,159	2,604	6,630	9,234	27,393	23,763
Employee benefits	-	11,664	-	1,505	13,169	2,103	5,354	7,457	20,626	18,345
Salaries - fees/leased	-	366	-	-	366	66	168	234	600	639
Total Compensation	-	213,507	-	53,215	266,722	38,501	98,003	136,504	403,226	350,567
Operations										
Occupancy	-	33,152	-	4,291	37,443	3,231	4,534	7,765	45,208	29,215
Technology	-	14,419	-	-	14,419	2,600	6,618	9,218	23,637	13,593
Tools for schools expense	-	-	17,226	-	17,226	-	-	-	17,226	19,416
Schools partnership	-	-	-	13,958	13,958	-	-	-	13,958	-
Advertising/ printing and publicity	-	5,698	-	558	6,256	570	5,128	5,698	11,954	20,199
Community activities	-	10,143	-	-	10,143	534	-	534	10,677	471
Office supplies	-	2,184	-	5,984	8,168	317	1,022	1,339	9,507	3,698
Legal and accounting	-	3,784	-	-	3,784	4,730	946	5,676	9,460	9,570
Campaign expense	-	-	-	-	-	-	9,327	9,327	9,327	9,108
Telephone	-	3,984	-	417	4,401	718	1,828	2,546	6,947	5,732
Computer maintenance	-	2,939	-	1,109	4,048	427	1,375	1,802	5,850	4,777
Travel	-	2,516	-	1,700	4,216	454	1,155	1,609	5,825	1,248
Staff development	-	1,946	-	544	2,490	319	925	1,244	3,734	1,368
Insurance	-	2,208	-	-	2,208	321	1,033	1,354	3,562	3,899
Equipment maintenance	-	2,109	-	-	2,109	380	968	1,348	3,457	5,824
Dues and subscriptions	-	2,363	-	-	2,363	315	473	788	3,151	2,419
Depreciation	-	1,282	-	-	1,282	192	663	855	2,137	2,337
Bank charges and fees	-	990	-	-	990	130	747	877	1,867	1,964
Postage	-	694	-	-	694	77	772	849	1,543	498
Sponsorship fund expense	-	585	-	-	585	-	-	-	585	3,392
Total Operations	-	90,996	17,226	28,561	136,783	15,315	37,514	52,829	189,612	138,728
United Way State and Worldwide Dues	-	15,127	-	-	15,127	2,269	7,815	10,084	25,211	28,322
Total	\$ 670,761	\$ 319,630	\$ 88,708	\$ 81,776	\$ 1,160,875	\$ 56,085	\$ 143,332	\$ 199,417	\$ 1,360,292	\$ 1,132,921

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

United Way of St. Lucie & Okeechobee, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

United Way of St. Lucie & Okeechobee, Inc. (the “Organization”) is a nonprofit corporation organized in Florida in 1962, and located in Ft. Pierce, Florida. The Organization’s primary purpose is to bring together, in a united appeal, all possible campaigns of community accepted health, welfare, and recreational agencies, including local, state, and national service organizations. The major source of funding is provided by annual fund-raising campaigns through businesses and individuals. Its mission is to improve lives by mobilizing the caring power of our community. In September 2021, the Organization expanded its efforts into Okeechobee County.

The organization is dedicated to accomplishing its vision to be the catalyst to achieve a sustainable community in the areas of health, education, and financial independence. During the current fiscal year, the critical area the Organization focused on was critical needs.

In addition, the organization manages the following programs:

Tools for Schools – a service of the United Way, a store that distributes free school supplies to teachers for use in the classroom. Teachers can come once a month to shop for their free supplies. Supplies that are crucial to children’s success in school such as backpacks, pencils, paper, and more, are kept stocked in the store. Tools for Schools St. Lucie serves St. Lucie Public Schools with an emphasis on schools with the most students participating in the Free and Reduced Lunch Program.

Community Partnership Schools Initiative – Where “Community school” is a term used to define an approach used to improve the success of students, families, and a community through collaborations between a school and a community partner(s). The community-based-lead-agency approach is built on a partnership between a community-based agency and a school. The community-based agency employs a site coordinator or director to lead the community school’s operations. The agency also is responsible for identifying and prioritizing the school’s needs, engaging stakeholders, leveraging resources, and coordinating with service providers to offer on-site programming and support.

The Community Partnership Schools™ model involves the forming of a long-term partnership among four core partners — a school district, a university or college, a community-based nonprofit, and a healthcare provider, as well as others. This comprehensive model of a community school leverages the social and institutional capital of the partners, making it possible for the school to offer resources and services that address the needs identified by the community. Collaboration with UCF and community partners, such as St. Lucie County School District, Indian River State College, Children’s Services Council, and Cleveland Clinic, worked with United Way to establish the first Community Partnership School at White City Elementary.

Volunteer Income Tax Assistance Program (VITA) - Free tax preparation services.

United Way of St. Lucie & Okeechobee, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nature of Activities (Continued)

Fiscal Agent - The Organization has contracted to act as a fiscal agent in the disbursement of certain St. Lucie County Board of County Commissioner grant funds to non-profit agencies. Although the Organization will present allocation recommendations to the County, the County has the ultimate approval on funding allocations, which are then disbursed by the Organization. This agreement results in the Organization collecting an agreed upon administrative fee, which is included as other income in the accompanying financial statements.

Basis of Accounting

The financial statements of the Organization have been prepared in accordance with generally accepted accounting principles. Assets and related revenues are recorded when earned, and liabilities and related expenses are recognized as incurred. For grant revenue recognition, the legal and contractual requirements of the individual programs are used as guidance.

Summarized Information

The financial statements include certain prior year summarized comparative information in total but not by asset class. Such information does not include a sufficient amount of detail to constitute a presentation in conformity with U.S. Generally Accepted Accounting Principles. Accordingly, such information should be read in conjunction with the Organizations financial statements for the year ended June 30, 2021, from which the summarized information was derived.

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting for the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

United Way of St. Lucie & Okeechobee, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

Net Assets With Donor Restrictions

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Organization must continue to use the resources in accordance with the donor's instructions.

The Organization's unspent contributions are included in this class if the donor limited their use.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Organization, unless the donor provides more specific directions about the period of its use.

Designating to Agencies

The organization receives contributions from donors designating the resources to specified partners and other United Way agencies. Such designated contributions are netted out of total campaign revenues and their related disbursements to the specified agencies are excluded from allocations reported in the statement of activities.

Use of Estimates

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

United Way of St. Lucie & Okeechobee, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits in banks, cash on hand, and deposits in money market funds with original maturities of less than three months. The Organization maintains its deposits in multiple financial institutions, which at times may exceed the federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to its applicable holdings.

The Organization presents restricted cash in accordance with FASB Statement ASU 2016-18, Statements of Cash Flows, which requires restricted cash to be included with cash and cash equivalents. Temporary cash held in the Organization's investment funds is classified as investments and endowment investments and is not considered to be cash for purposes of the statement of cash flows.

Inventory

Inventory, determined by the first-in, first-out method, consists of donated school supplies and purchased school supplies. Donated inventory is recorded at the estimated fair market value at the time of donation.

Contributions Receivable

Unconditional promises to give (contributions receivable) that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Conditional promises to give are not included as support until such time as the conditions are substantially met. All promises to give to the Organization for the annual campaign are expected to be collected within one year. Generally, the Organization initiates the current period campaign in July of each year and such campaign is principally utilized for payments for the subsequent fiscal years' grant obligations. Management estimates the allowances for pledge that will ultimately be uncollectible each year based on historical data.

Investments

Investments in marketable securities with readily determinable fair values are reported at their fair values in the statement of financial position. Donated investments are recorded at their fair market value on the date of donation. Unrealized gains and losses are included in the change in net assets. Investment income is reported as increases in net assets without donor restrictions unless the use of the income is limited by donor-imposed restrictions or by law.

The Organization maintains its investments at various FDIC and SPIC insured institutions. Balances maintained at certain institutions exceed the federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to its applicable holdings.

United Way of St. Lucie & Okeechobee, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fixed Assets

The United Way of St. Lucie & Okeechobee, Inc. follows the practice of capitalizing, at cost, all expenses for fixed assets in excess of \$1,000. Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Depreciation is provided using the straight-line method over estimated useful lives ranging from 3 to 10 years. Management reviews its property and equipment balances for impairment when events or changes in circumstances indicate the related carrying values may no longer be recoverable.

Revenue Recognition

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

Donated Materials and Services

Donated materials and equipment are reflected as contributions at their estimated fair values at the date of receipt. Contributions of services are recognized if the services received create or enhance non-financial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

During the current fiscal year, the Organization received in-kind advertising for the purpose of promoting various program and special events as well as in-kind facility usage. Donated services with an estimated fair value of \$12,190 are included in contributions in the Statement of Activities.

Income Taxes

The Organization is a not-for-profit organization as described in Internal Revenue Code 501(c)(3). As such, the Organization is exempt from federal and state income taxes except on net income derived from unrelated business activities. The Organization is not considered a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(VI).

The Organization has analyzed the tax positions taken and has concluded that as of June 30, 2022, there are no material uncertain positions taken, or expected to be taken, that would require recognition of a liability or disclosure in the financial statements. The tax periods open to examination in which the Organization is subject include the fiscal years ended June 30, 2019, 2020 and 2021.

United Way of St. Lucie & Okeechobee, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising Costs

Advertising costs are generally expensed as incurred. Advertising consists primarily of public service announcements and promotional articles published on a variety of sources that are used to notify the public of events and services. Advertising expense was \$11,954 (\$7,899 in-kind) for the year ended June 30, 2022.

Functional Allocation of Expenses

The cost of providing the various programs and other activities has been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses that can be identified with a specific program or support service are allocated directly according to their natural expense classification. Other expenses that are common to several functions are allocated based on an analysis of personnel time utilized for the related activities.

NOTE B – CONCENTRATIONS OF CREDIT RISK

For cash and equivalents at June 30, 2022, the Organization had a carrying value of \$567,001, \$166,929 of which was uninsured by the Federal Deposit Insurance Corporation. At June 30, 2022, the Organization had money market accounts insured by the SIPC totaling \$39,906. The money market accounts are SIPC insured up to \$250,000 for cash and \$500,000 per customer and the protection provided is only if the brokerage firm ceases doing business and not against losses from fluctuation in the value of the securities.

United Way of St. Lucie & Okeechobee, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE C – ALLOCATIONS PAYABLE TO MEMBER AGENCIES

United Way of St. Lucie & Okeechobee, Inc. awards grants to funded partners on an annual basis at the option of the governing board. The grant amounts awarded and payable to agencies as of June 30, 2022 are supported by 2021-2022 campaign revenues. The amounts awarded and payable to agencies as of June 30, 2022 are as follows:

Mustard Seed Ministries	\$ 158,900
St. Lucie County Health Department	85,214
Helping People Succeed	47,810
Tykes & Teens, Inc.	41,000
PACE Center for Girls	38,250
Healthy Start Coalition of SLC	35,573
Roundtable of SLC	30,500
Early Learning Coalition of SLC	26,100
Project Lift	25,500
ARC of St. Lucie County, Inc.	23,000
The Inner Truth Project, Inc.	21,750
Grace Way Village	21,000
Life Builders of the TC	19,132
Salvation Army	18,000
Children's Home Society	17,600
H.A.N.D.S. of St. Lucie County	15,000
Hibiscus Children's Center	12,166
Okeechobee Healthy Start	12,000
Okeechobee Education Foundation	10,000
House of Hope	10,000
Light of the World Charities	10,000
Martha's House	8,000
Early Learning Coalition IR, MC,	5,000
Big Brothers/ Big Sisters	3,800
Y.M.C.A	3,600
Total	<u><u>\$ 698,895</u></u>

United Way of St. Lucie & Okeechobee, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE D – FAIR VALUE MEASUREMENTS

Generally accepted accounting principles establish 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 into three levels. A financial instrument’s categorization within the fair value hierarchy is based upon the lowest level of input that is available and significant to the fair value measurement. The three levels of inputs that may be used to measure value are as follows:

- Level 1 – Quoted prices for identical assets or liabilities in active markets to which the Organization has access at the measurement date.
- Level 2 – Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – Inputs that are generally unobservable and typically reflect management’s estimates of assumptions that market participants would use in pricing the asset or liability.

Fair values of assets measured on a recurring basis as of June 30, 2022, include:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	\$ 607,107	\$ 607,107	\$ -	\$ -
Investments	2,576,580	2,576,580	-	-
Contributions receivable, net	478,181	-	-	478,181
Totals	<u>\$ 3,661,868</u>	<u>\$ 3,183,687</u>	<u>\$ -</u>	<u>\$ 478,181</u>

United Way of St. Lucie & Okeechobee, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE E – INVESTMENTS

The components of total investment return for the years ending June 30, 2022 are as follows:

Interest and dividend earnings	\$ 83,014
Investment fees and expenses	(16,384)
Net realized/unrealized gain/(loss) on investments	<u>(154,605)</u>
Total Investment Return	<u>\$ (87,975)</u>

Investments consisted of the following as of June 30, 2022:

	<u>Cost</u>	<u>Fair Market Value</u>	<u>Net Unrealized Gains (Losses)</u>
Equity Securities	\$ 1,258,255	\$ 1,382,320	\$ 124,065
Mutual Funds	1,281,166	1,194,260	(86,906)
Totals	<u>\$ 2,539,421</u>	<u>\$ 2,576,580</u>	<u>\$ 37,159</u>

NOTE F – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2022 are:

Cash and equivalents	\$ 607,107
Investments	2,576,580
Receivables, net	555,278
Less amounts with donor restrictions	(436,612)
Less Board designated amounts	<u>(1,831,809)</u>
Total financial assets available for general expenditure	<u>\$ 1,470,544</u>

NOTE G – OPERATING LEASES

In January 2021, the Organization entered into a 24-month business lease agreement for office space. Future minimum lease payments for the office space as of June 30, 2022 are \$32,370.

NOTE H – PPP LOAN FORGIVENESS

In January 2021, the Organization was granted a \$75,000 Paycheck Protection Program loan (“PPP”) under Division A, Title I of the CARES Act. The Paycheck Protection Program loan was forgiven in its entirety during the year ended June 30, 2022.

United Way of St. Lucie & Okeechobee, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE I – BOARD DESIGNATED ENDOWMENTS

The Organization has classified a substantial portion of its investments as Board Designated endowments. The endowments are invested to generate income to be used to support specific programs. Net assets associated with the endowment funds are classified and reported as net assets without donor restrictions – board designated.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization's general spending policy is to consider expected rates of return on investments, restrictions on principal, requirements to support special projects, maintenance of prudent reserves, tax code requirements, and allowances for market and economic uncertainties, as applicable. Transfers to operating accounts from the Board Designated endowment funds earnings require appropriation by the board.

NOTE J – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at year-end consisted of the following:

Time Restriction	
Contributions Receivable	\$ 428,181
Purpose Restriction	
Cleveland Clinic Initiatives	3,000
Disaster relief	4,908
Born Learning Trail	523
Donor Restricted Net Assets	<u>\$ 436,612</u>

NOTE K – NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets released from donor restrictions during the fiscal years ended June 30, 2022 are as follows:

Prior year contributions receivable	\$ 492,738
Born learning trail	585
Cleveland Clinic (Initiatives)	8,000
Campaign celebration sponsorship	2,500
Totals	<u>\$ 503,823</u>

NOTE L – RETIREMENT PLAN

The Organization has adopted a simplified employee pension retirement plan covering all employees who have met certain service requirements. For the fiscal year, the Organization contributed 5% of each covered employee's compensation. The retirement plan expense for the year ended June 30, 2022 was \$13,023.

United Way of St. Lucie & Okeechobee, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE M – DATE OF MANAGEMENT REVIEW

In preparing the financial statements, Management has evaluated events and transactions for potential recognition or disclosure through November 16, 2022, the date that the financial statements were available to be issued.

NOTE N – RESTATEMENT OF BEGINNING NET ASSETS

Net assets were restated as of July 1, 2021 to properly reflect certain payables as without donor restrictions - board designated net assets.

	As Previously Stated 7/1/2021	Restated 7/1/2021
With donor restrictions	\$ 498,754	\$ 498,754
Without donor restrictions – board designated		
Endowment	1,719,049	1,719,049
Disaster relief	100,000	100,000
Initiatives	-	156,521
Without donor restrictions	885,703	885,703
Total Net Assets	<u>\$ 3,203,506</u>	<u>\$ 3,360,027</u>