

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

ANNUAL FINANCIAL REPORT

**June 30, 2023
(with summarized comparative financial information
for the year-ended June 30, 2022)**

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

ANNUAL FINANCIAL REPORT

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Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

772/461-6120 // 461-1155
FAX: 772/468-9278

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, 2023 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, 2023, 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, 2022 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 16, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 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

September 20, 2023

United Way of St. Lucie & Okeechobee, Inc.
STATEMENT OF FINANCIAL POSITION
June 30, 2023
(With Comparative Totals at June 30, 2022)

	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	\$ 721,165	\$ 607,107
Accounts receivable	59,824	68,993
Contributions receivable, net of allowance	375,881	478,181
Interest receivable	6,957	8,104
Prepaid expenses	-	1,257
Inventory	196,160	213,388
Total Current Assets	1,359,987	1,377,030
Non-current assets		
Investments	2,617,248	2,576,580
Fixed assets		
Office equipment	22,289	21,274
Less - accumulated depreciation	(15,134)	(13,350)
Total Non-Current Assets	2,624,403	2,584,504
Total Assets	\$ 3,984,390	\$ 3,961,534
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 11,700	\$ 3,886
Designations payable	338,233	22,481
Allocations to member agencies	563,864	698,895
Deferred revenue	800	2,397
Total Current Liabilities	914,597	727,659
Net assets		
With donor restrictions	388,138	436,612
Without donor restrictions-board designated		
Endowment	1,578,319	1,579,539
Disaster relief	100,000	100,000
Initiatives	95,693	152,270
Without donor restrictions	907,643	965,454
Total Net Assets	3,069,793	3,233,875
Total Liabilities and Net Assets	\$ 3,984,390	\$ 3,961,534

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, 2023
(With Summarized Comparative Information for the Year Ended June 30, 2022)

	Without Donor	With Donor	Totals	
	<u>Restrictions</u>	<u>Restrictions</u>	<u>2023</u>	<u>2022</u>
Support and Revenues				
Campaign results				
Annual campaign	\$ 843,291	\$ 375,881	\$ 1,219,172	\$ 1,363,975
Less: Amounts designated to other agencies	(152,475)	-	(152,475)	(189,457)
Less: Provisions for uncollectable pledge losses	(127,145)	-	(127,145)	(143,832)
Net Campaign Revenues	<u>563,671</u>	<u>375,881</u>	<u>939,552</u>	<u>1,030,686</u>
Hurricane/disaster relief funds	-	-	-	10,000
In-kind contributions	47,068	-	47,068	12,190
Investment return	117,531	-	117,531	(87,649)
Contributions/grants/miscellaneous/ special event income, net of \$25,009 expenses	197,205	10,000	207,205	202,540
Forgiveness of PPP loan	-	-	-	75,000
Net assets released from restrictions	434,355	(434,355)	-	-
Total Support and Revenues	<u>1,359,830</u>	<u>(48,474)</u>	<u>1,311,356</u>	<u>1,242,767</u>
Expenses				
Program Services				
Allocations to others	566,442	-	566,442	670,761
Community services	385,089	-	385,089	319,630
Tools for schools	103,841	-	103,841	88,708
Community partnership schools	168,252	-	168,252	81,776
Total Program Services	<u>1,223,624</u>	<u>-</u>	<u>1,223,624</u>	<u>1,160,875</u>
Supporting Services				
General and administrative	66,443	-	66,443	56,085
Fundraising	185,371	-	185,371	143,332
Total Supporting Services	<u>251,814</u>	<u>-</u>	<u>251,814</u>	<u>199,417</u>
Total Expenses	<u>1,475,438</u>	<u>-</u>	<u>1,475,438</u>	<u>1,360,292</u>
Change in Net Assets Before Loss	(115,608)	(48,474)	(164,082)	(117,525)
Loss on disposal of fixed assets	-	-	-	(8,627)
Change in Net Assets	(115,608)	(48,474)	(164,082)	(126,152)
Net Assets - July 1, 2022	<u>2,797,263</u>	<u>436,612</u>	<u>3,233,875</u>	<u>3,360,027</u>
Net Assets - June 30, 2023	<u>\$ 2,681,655</u>	<u>\$ 388,138</u>	<u>\$ 3,069,793</u>	<u>\$ 3,233,875</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, 2023
(With Comparative Totals for the Year Ended June 30, 2022)

	2023	2022
Cash Flows from Operating Activities		
Change in Net Assets	\$ (164,082)	\$ (126,152)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	1,784	2,137
Loss on disposal of fixed assets	-	8,627
Net unrealized and realized (gain)/loss on investments	(48,114)	154,605
Forgiveness of PPP loan	-	(75,000)
(Increase)/decrease in assets:		
Accounts receivable	9,169	(37,487)
Contributions receivable	102,300	14,557
Interest receivables	1,147	(1,100)
Inventory	17,228	33,312
Prepaid expenses	1,257	(1,257)
Increase/(decrease) in current liabilities:		
Accounts payable and accrued expenses	7,814	1,324
Deferred revenues	(1,597)	2,397
Designations payable	315,752	(3,289)
Allocations to member agencies	(135,031)	268,850
Net Cash Provided by Operating Activities	107,627	241,524
Cash Flows from Investing Activities		
Purchases of marketable securities	(496,080)	(1,822,898)
Proceeds from sales of marketable securities	503,526	1,695,726
Purchases of fixed assets	(1,015)	(8,330)
Net Cash Provided/(Used) by Investing Activities	6,431	(135,502)
Net change in cash and cash equivalents	114,058	106,022
Cash and cash equivalents, July 1, 2022	607,107	501,085
Cash and cash equivalents, June 30, 2023	\$ 721,165	\$ 607,107
Supplemental disclosures of cash flow information:		
School Supplies Donations	\$ 59,015	\$ 38,170
School Supplies Distributions	\$ 76,243	\$ 71,482

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, 2023
(With Summarized Comparative Information for the Year Ended June 30, 2022)

	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	2023	2022
Allocations/Distributions										
Allocations to member agencies	\$ 649,975	-	-	\$ -	\$ 649,975	\$ -	\$ -	\$ -	\$ 649,975	\$ 790,638
Distributed school supplies	-	-	76,243	-	76,243	-	-	-	76,243	71,482
Special allocations to charitable organizations	68,942	-	-	-	68,942	-	-	-	68,942	69,580
Less donor designations	(152,475)	-	-	-	(152,475)	-	-	-	(152,475)	(189,457)
Total Allocations/Distributions	566,442	-	76,243	-	642,685	-	-	-	642,685	742,243
Compensation										
Salaries	-	229,082	-	97,664	326,746	41,310	105,152	146,462	473,208	354,607
Payroll taxes	-	17,676	-	7,538	25,214	3,187	8,114	11,301	36,515	27,393
Employee benefits	-	12,822	-	5,386	18,208	2,302	5,716	8,018	26,226	20,626
Salaries - fees/leased	-	366	-	-	366	66	168	234	600	600
Total Compensation	-	259,946	-	110,588	370,534	46,865	119,150	166,015	536,549	403,226
Operations										
Occupancy	-	43,686	-	4,291	47,977	7,878	20,052	27,930	75,907	45,208
Technology	-	28,203	-	-	28,203	5,086	12,946	18,032	48,235	23,637
Schools partnership	-	-	-	43,061	43,061	-	-	-	43,061	13,958
Tools for schools expense	-	-	27,598	-	27,598	-	-	-	27,598	17,226
Legal and accounting	-	4,736	-	-	4,736	526	5,263	5,789	10,525	9,460
Campaign expense	-	1,669	-	-	1,669	242	781	1,023	8,937	9,327
Office supplies	-	4,226	-	1,700	5,926	762	1,940	2,702	8,676	9,507
Travel	-	7,791	-	-	7,791	-	-	-	7,791	5,825
Sponsorship fund expense	-	4,219	-	417	4,636	761	1,936	2,697	7,333	6,947
Telephone	-	3,069	-	544	3,613	503	1,459	1,962	5,575	3,734
Staff development	-	4,035	-	-	4,035	538	807	1,345	5,380	3,151
Dues and subscriptions	-	2,405	-	558	2,963	240	2,165	2,405	5,368	11,954
Advertising/printing and publicity	-	2,459	-	1,109	3,568	357	1,150	1,507	5,075	5,850
Computer maintenance	-	2,936	-	-	2,936	529	1,348	1,877	4,813	3,457
Equipment maintenance	-	2,473	-	-	2,473	359	1,157	1,516	3,989	3,562
Insurance	-	1,160	-	-	1,160	178	446	624	1,784	2,137
Depreciation	-	1,664	-	-	1,664	88	-	88	1,752	10,677
Community activities	-	572	-	-	572	64	636	700	1,272	1,543
Postage	-	482	-	-	482	63	364	427	909	1,867
Bank charges and fees	-	-	-	-	-	-	-	-	-	-
Total Operations	-	115,785	27,598	57,664	201,047	18,174	61,387	79,561	280,608	189,612
United Way State and Worldwide Dues										
	-	9,358	-	-	9,358	1,404	4,834	6,238	15,596	25,211
Total	\$ 566,442	\$ 385,089	\$ 103,841	\$ 168,252	\$ 1,223,624	\$ 66,443	\$ 185,371	\$ 251,814	\$ 1,475,438	\$ 1,360,292

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

United Way of St. Lucie & Okeechobee, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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. In September 2021, the Organization expanded its efforts into Okeechobee County. The Organization's primary purpose is to provide leadership that improves lives and creates lasting community change by mobilizing the caring power of our communities to give, advocate, and volunteer. The major source of funding is provided by annual fundraising campaigns through businesses and individuals.

The Organization achieves its mission by bringing people together to build strong, more resilient communities where everyone can thrive. Through the Organization, communities tackle tough challenges and work with private, public, and nonprofit partners to improve the health, education, and economic mobility of every person in the community it serves.

In addition, the organization manages the following programs:

Youth United – Youth United is a United Way-sponsored initiative that brings together like-minded students ready to do more for their communities through student-centered volunteer service, cultural enrichment, and leadership development opportunities. This initiative offers unique and impactful service projects that improve the lives of children and families throughout St. Lucie County. It helps expose the next generation to United Way and its work by being a catalyst for giving back. The initiative also helps build a foundation for future opportunities in the nonprofit sector. The program objectives include teaching students how to: Develop and nurture leadership skills through teamwork, problem-solving, and compromise; Connect with community leaders across St. Lucie County; Develop a sense of philanthropic ownership in the community; Improve the community through student-led service projects; Nurture the importance of keeping youth and community connected; Gain professional experiences through network and effective decision making; Create an understanding about programs and services offered in St. Lucie County; and Learn about and implement the process of allocating funds.

Tools for Schools – Tools for Schools is a service of the United Way, a school supply resource center where teachers can shop for free learning materials for students in need. Teachers can come once a month to shop for their no-cost 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 those schools with the most students participating in the Free and Reduced Lunch Program.

Volunteer Income Tax Assistance Program (VITA) – The IRS's Free tax preparation services offer free basic tax return preparation to qualified individuals. VITA sites offer free tax help to people who need tax assistance in preparing their own tax returns. While the IRS manages the VITA program, the VITA sites are operated by the Organization and staffed with volunteers who want to make a difference in their communities.

United Way of St. Lucie & Okeechobee, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nature of Activities (Continued)

Community Partnership Schools Initiative – 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 integrate health and wellness programs, community and parent outreach, enhance educational opportunities and leadership development, and empower students and families to pursue success based on the school's unique needs. The goal is to remove barriers to allow students to focus on their education. Collaboration with the University of Central Florida and community partners, such as St. Lucie County School District, Indian River State College, Children's Services Council, and Cleveland Clinic, worked with the Organization to establish the first Community Partnership School at White City Elementary.

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, 2022, 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:

United Way of St. Lucie & Okeechobee, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

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 from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

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, 2023

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, deposits in money market funds, and cash equivalents held in brokerage accounts 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, 2023

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 \$47,068 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, 2023, 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, 2020, 2021 and 2022.

United Way of St. Lucie & Okeechobee, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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 \$5,368 for the year ended June 30, 2023.

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, 2023, the Organization had a carrying value of \$721,165, \$375,071 of which was uninsured by the Federal Deposit Insurance Corporation, and \$49,612 of which were money market accounts insured by the SIPC. 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, 2023

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, 2023 are supported by 2022-2023 campaign revenues. The amounts awarded and payable to agencies as of June 30, 2023 are as follows:

Mustard Seed Ministries	\$127,120
FLDOH	55,000
Helping People Succeed	38,280
Inner Truth Project	33,500
Healthy Start Coalition of SLC	33,143
PACE Center for Girls	30,982
Roundtable of SLC	22,680
Early Learning Coalition - St. Lucie	21,141
Project LIFT	20,500
Arc of St. Lucie County	18,567
Grace Way Village	16,800
United Against Poverty - SLC	16,000
Life Builders of the Treasure Coast	15,305
Alzheimer's Community Care	15,000
Salvation Army	14,400
United Against Poverty	14,000
Hibiscus Children's Center	12,166
211 Palm Beach Treasure Coast	10,000
Council on Aging of St. Lucie, Inc	10,000
Light of the World Charities	8,864
Okeechobee Education Foundation	8,100
Okeechobee Healthy Start	5,000
Real Life Children's Ranch Okeechobee	4,772
Early Learning Coalition of Indian River, Martin, & Okeechobee	4,050
Big Brothers Big Sisters - Okeechobee	3,078
Y.M.C.A	2,916
Roundtable of SLC	2,500
Total	<u><u>\$ 563,864</u></u>

United Way of St. Lucie & Okeechobee, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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, 2023, 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	\$ 721,165	\$ 721,165	\$ -	\$ -
Investments	2,617,248	2,617,248	-	-
Contributions receivable, net	375,881	-	-	375,881
Totals	\$ 3,714,294	\$ 3,338,413	\$ -	\$ 375,881

United Way of St. Lucie & Okeechobee, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE E – INVESTMENTS

The components of total investment return for the years ending June 30, 2023 are as follows:

Interest and dividend earnings	\$ 83,146
Investment fees and expenses	(13,729)
Net realized/unrealized gain/(loss) on investments	<u>48,114</u>
Total Investment Return	<u><u>\$ 117,531</u></u>

Investments consisted of the following as of June 30, 2023:

	Cost	Fair Market Value	Net Unrealized Gains (Losses)
Equity Securities	\$ 1,280,696	\$ 1,448,886	\$ 168,190
Mutual Funds	1,274,284	1,168,362	(105,922)
Total	<u><u>\$ 2,554,980</u></u>	<u><u>\$ 2,617,248</u></u>	<u><u>\$ 62,268</u></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, 2023 are:

Cash and equivalents	\$ 721,165
Investments	2,617,248
Receivables, net	442,662
Less: amounts with donor restrictions	(388,138)
Less: Board designated amounts	<u>(1,774,012)</u>
Total financial assets available for general expenditure	<u><u>\$ 1,618,925</u></u>

NOTE G – 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.

United Way of St. Lucie & Okeechobee, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE H – NET ASSETS WITH DONOR RESTRICTIONS

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

Time Restriction		
Contributions Receivable	\$	375,881
Purpose Restriction		
Cleveland Clinic Initiatives		3,000
Disaster relief		4,908
Born Learning Trail		4,349
Donor Restricted Net Assets	\$	<u>388,138</u>

NOTE I – NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets released from donor restrictions during the fiscal years ended June 30, 2023 are as follows:

Prior year contributions receivable	\$	428,181
Born learning trail		<u>6,174</u>
Totals	\$	<u>434,355</u>

NOTE J – 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, 2023 was \$16,186.

NOTE K – DATE OF MANAGEMENT REVIEW

In preparing the financial statements, Management has evaluated events and transactions for potential recognition or disclosure through September 20, 2023, the date that the financial statements were available to be issued.