

UNITED WAY OF CENTRAL FLORIDA, INC.
Highland City, Florida

FINANCIAL STATEMENTS
June 30, 2022 and 2021

UNITED WAY OF CENTRAL FLORIDA, INC.
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
United Way of Central Florida, Inc.
Highland City, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of United Way of Central Florida, Inc. (the Organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2022 and 2021, the Organization adopted new accounting guidance ASU 2020-07 – *Not-For Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. Our opinion is not modified with respect to this matter.

(Continued)

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 for one year from the date the financial statements are 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.

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.

Crowe LLP

Crowe LLP

Tampa, Florida
October 20, 2022

UNITED WAY OF CENTRAL FLORIDA, INC.
 STATEMENTS OF FINANCIAL POSITION
 June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and cash equivalents (Note 3)	\$ 5,179,269	\$ 3,860,819
Investments (Notes 4 and 5)	5,648,132	6,578,183
Accounts receivable, net	510,542	282,541
Pledge receivables (Note 12)	21,989,448	28,464,658
Less allowance for uncollectible	(8,061,000)	(10,032,000)
Other assets	270,270	194,244
Beneficial interest in assets held by others (Notes 5)	741,696	906,936
Property and equipment (Note 6)	<u>418,583</u>	<u>465,170</u>
	<u>\$ 26,696,940</u>	<u>\$ 30,720,551</u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Designations payable (Note 10)	\$ 11,042,321	\$ 13,961,529
Accounts payable and accrued liabilities	<u>323,935</u>	<u>221,927</u>
Total liabilities	11,366,256	14,183,456
Net assets		
Without donor restrictions		
Undesignated	5,209,877	5,367,718
Board designated (Note 9)	<u>4,652,510</u>	<u>5,569,023</u>
Total unrestricted assets	9,862,387	10,936,741
With donor restrictions (Notes 7 and 15)	<u>5,468,297</u>	<u>5,600,354</u>
Total net assets	<u>15,330,684</u>	<u>16,537,095</u>
	<u>\$ 26,696,940</u>	<u>\$ 30,720,551</u>

See accompanying notes to financial statements

UNITED WAY OF CENTRAL FLORIDA, INC.
STATEMENTS OF ACTIVITIES
Years ended June 30, 2022 and 2021

	2022			2021		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public Support and Revenue						
Current year campaign						
Gross campaign results	\$ 5,804,243	\$ -	\$ 5,804,243	\$ 7,026,792	\$ -	\$ 7,026,792
Gross campaign results in prior year, released from restrictions (Note 8)	34,958	(34,958)	-	54,967	(54,967)	-
Less estimated uncollectible pledges	(271,346)	-	(271,346)	(400,632)	-	(400,632)
Less donor designations	(632,671)	-	(632,671)	(724,032)	-	(724,032)
Net current year campaign revenue	4,935,184	(34,958)	4,900,226	5,957,095	(54,967)	5,902,128
Disaster Relief						
Gross disaster relief results	6,900	2,679	9,579	13,183,643	34,476	13,218,119
Restricted Jenkins and Publix Charities						
Challenge grants received in prior period, released from restrictions (Note 8)	-	-	-	374,187	(374,187)	-
Gross Jenkins Family Grant and Publix Charities results:	14,225	540,775	555,000	153,929	661,071	815,000
Less designations to other agencies	-	-	-	(75,000)	-	(75,000)
Net Restricted Jenkins and Publix Charities revenue	14,225	540,775	555,000	453,116	286,884	740,000
Prior Year Campaign						
Gross campaign results	1,404,143	-	1,404,143	1,418,717	-	1,418,717
Recovery of prior year uncollectible pledges	182,104	-	182,104	260,829	-	260,829
Less donor designations	(4,375)	-	(4,375)	(15,865)	-	(15,865)
Net prior year campaign revenue	1,581,872	-	1,581,872	1,663,681	-	1,663,681
Future Campaigns						
Campaign revenue	-	42,243	42,243	-	34,958	34,958

(Continued)

UNITED WAY OF CENTRAL FLORIDA, INC.
STATEMENTS OF ACTIVITIES
Years ended June 30, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Other						
Special events	\$ 37,815	\$ 500	\$ 38,315	\$ 29,894	\$ 8,646	\$ 38,540
Changes in beneficial interest in assets held by others	-	(163,323)	(163,323)	-	250,256	250,256
Other contributions of cash and other financial assets	89,182	280,122	369,304	170,863	237,105	407,968
Contributions of nonfinancial assets (Note 14)	56,089	-	56,089	85,877	-	85,877
Designations from other United Ways	7,774	-	7,774	12,368	-	12,368
Service fees	307,978	-	307,978	375,839	-	375,839
Grants and contracts	294,017	471,406	765,423	819,285	364,962	1,184,247
Interest income	109,657	27,504	137,161	110,252	23,839	134,091
Net gain on investments	(660,467)	(304,002)	(964,469)	849,599	450,493	1,300,092
Less investment management fees	(37,905)	(14,231)	(52,136)	(34,036)	(13,756)	(47,792)
Miscellaneous income	19,324	-	19,324	22,535	-	22,535
Net assets released from restrictions (Note 8)	980,772	(980,772)	-	1,088,842	(1,088,842)	-
Total other	<u>1,204,236</u>	<u>(682,796)</u>	<u>521,440</u>	<u>3,531,318</u>	<u>232,703</u>	<u>3,764,021</u>
Total revenue	<u>7,742,417</u>	<u>(132,057)</u>	<u>7,610,360</u>	<u>24,788,853</u>	<u>534,054</u>	<u>25,322,907</u>
Expenses						
Program services:						
Allocations/Awards (Note 11)	5,799,305	-	5,799,305	19,044,082	-	19,044,082
Less donor designations	(637,046)	-	(637,046)	(814,897)	-	(814,897)
Net funds awarded/distributed	<u>5,162,259</u>	<u>-</u>	<u>5,162,259</u>	<u>18,229,185</u>	<u>-</u>	<u>18,229,185</u>
Other program services	1,530,524	-	1,530,524	1,579,389	-	1,579,389
Support services	2,123,988	-	2,123,988	1,956,875	-	1,956,875
Total expenses	<u>8,816,771</u>	<u>-</u>	<u>8,816,771</u>	<u>21,765,449</u>	<u>-</u>	<u>21,765,449</u>
Changes in net assets	(1,074,354)	(132,057)	(1,206,411)	3,023,404	534,054	3,557,458
Net assets, beginning of year	10,936,741	5,600,354	16,537,095	7,913,337	5,066,300	12,979,637
Net assets, end of year	<u>\$ 9,862,387</u>	<u>\$ 5,468,297</u>	<u>\$ 15,330,684</u>	<u>\$ 10,936,741</u>	<u>\$ 5,600,354</u>	<u>\$ 16,537,095</u>

See accompanying notes to financial statements

UNITED WAY OF CENTRAL FLORIDA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2022

	Program Services								Support Services						2022 Total
	Community Impact	Financial Stability	Disaster Relief	Success by 6	Master Teacher	Women United - ReadingPals	Family Fundamentals	2-1-1	Total Program Services	Campaign, Leadership, WU and Planned Giving	Highlands County Operation	Finance and Administration	Total Support Services	Indirect Cost Pools	
Expenses															
Allocations/aw ards (Note 11)	\$5,725,668	\$ -	\$ 73,637	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,799,305	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,799,305
Less donor designated	(637,046)	-	-	-	-	-	-	-	(637,046)	-	-	-	-	-	(637,046)
Net allocations/ aw ards	5,088,622	-	73,637	-	-	-	-	-	5,162,259	-	-	-	-	-	5,162,259
Personnel															
Labor, salaries and wages	247,211	-	11,138	113,603	48,362	26,727	130,044	52,569	629,654	463,288	51,634	536,561	1,051,483	167,503	1,848,640
Payroll taxes	18,573	-	838	8,350	3,602	1,968	9,805	3,792	46,928	34,430	3,938	38,438	76,806	12,522	136,256
Employee benefits (Note 13)	48,548	-	2,014	25,628	11,649	2,496	14,828	12,306	117,469	74,769	11,801	61,801	148,371	29,324	295,164
Total personnel expenses	314,332	-	13,990	147,581	63,613	31,191	154,677	68,667	794,051	572,487	67,373	636,800	1,276,660	209,349	2,280,060
Other															
Contract services	13,717	-	-	-	549	612	1,840	168,826	185,544	10,936	-	59,743	70,679	500	256,723
Office and program supplies	310	-	-	38,611	4,622	9,700	6,042	513	59,798	1,632	729	4,170	6,531	16,260	82,589
Printing	3,506	-	877	4,192	512	293	315	1,299	10,994	26,971	1,616	687	29,274	15,191	55,459
Advertising and promotional items	3,893	-	1,120	1,521	-	-	6,548	4,480	17,562	29,545	743	-	30,288	14,856	62,706
Events and miscellaneous marketing	258	-	78,053	50	-	152	7,487	-	86,000	64,350	1,812	2,850	69,012	29,405	184,417
Postage and shipping	-	-	-	-	-	-	-	-	-	275	169	207	651	9,082	9,733
Telephone	-	-	-	-	-	-	3,937	-	3,937	-	-	-	-	23,940	27,877
Building, maintenance, utilities and taxes	-	-	-	-	-	88	30,451	-	30,539	-	22,440	-	22,440	62,210	115,189
Employee business expense	4,987	-	434	625	1,076	416	374	25	7,937	21,040	4,504	2,902	28,446	2,095	38,478

(Continued)

UNITED WAY OF CENTRAL FLORIDA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2022

	Program Services								Support Services						2022 Total
	Community Impact	Financial Stability	Disaster Relief	Success by 6	Master Teacher	Women United - ReadingPals	Family Fundamentals	2-1-1	Total Program Services	Campaign, Leadership, WU and Planned Giving	Highlands County Operation	Finance and Administration	Total Support Services	Indirect Cost Pools	
Other expenses (continued)															
Training and development	\$ 2,378	\$ -	\$ -	\$ -	\$ 125	\$ -	\$ 1,574	\$ 768	\$ 4,845	\$ 20,146	\$ 1,148	\$ 37,106	\$ 58,400	\$ 8,218	\$ 71,463
Temporary help	-	-	-	-	-	-	-	-	-	854	-	-	854	-	854
Insurance	-	-	-	-	-	-	3,712	-	3,712	-	-	-	-	14,720	18,432
Miscellaneous	88	-	-	2,694	839	729	655	-	5,005	4,445	2,000	20,631	27,075	7,513	39,593
Equipment rental and maintenance	5,264	-	-	156	92	160	4,637	4,613	14,922	9,323	-	31,126	40,449	98,381	153,752
Membership dues	400	-	-	104	-	-	30	-	534	4,831	564	3,007	8,402	5,324	14,260
Depreciation expense	7,760	-	353	3,597	1,515	836	35,051	1,656	50,768	14,611	1,650	16,819	33,080	-	83,848
United Way of Florida dues	-	-	-	-	-	-	-	-	-	-	-	-	-	21,050	21,050
Total other expenses	<u>42,561</u>	<u>-</u>	<u>80,837</u>	<u>51,550</u>	<u>9,330</u>	<u>12,986</u>	<u>102,653</u>	<u>182,180</u>	<u>482,097</u>	<u>208,959</u>	<u>37,375</u>	<u>179,248</u>	<u>425,581</u>	<u>328,745</u>	<u>1,236,423</u>
Total personnel and other expenses	356,893	-	94,827	199,131	72,943	44,177	257,330	250,847	1,276,148	781,446	104,748	816,048	1,702,241	538,094	3,516,483
United Way Worldwide dues	-	-	-	-	-	-	-	-	-	-	-	-	-	138,029	138,029
Cost pool allocations	<u>99,236</u>	<u>-</u>	<u>4,430</u>	<u>46,319</u>	<u>20,023</u>	<u>10,839</u>	<u>52,274</u>	<u>21,255</u>	<u>254,376</u>	<u>186,244</u>	<u>21,261</u>	<u>214,241</u>	<u>421,747</u>	<u>(676,123)</u>	<u>-</u>
Total expenses	<u>\$5,544,751</u>	<u>\$ -</u>	<u>\$ 172,894</u>	<u>\$245,450</u>	<u>\$ 92,966</u>	<u>\$ 55,016</u>	<u>\$ 309,604</u>	<u>\$272,102</u>	<u>\$ 6,692,783</u>	<u>\$ 967,690</u>	<u>\$126,009</u>	<u>\$ 1,030,289</u>	<u>\$2,123,988</u>	<u>\$ -</u>	<u>\$ 8,816,771</u>

See accompanying notes to financial statements

UNITED WAY OF CENTRAL FLORIDA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2021

	Program Services								Support Services						2021 Total
	Community Impact	Financial Stability	Disaster Relief	Success by 6	Master Teacher	Women United - ReadingPals	Family Fundamentals	2-1-1	Total Program Services	Campaign, Leadership, WU and Planned Giving	Highlands County Operation	Finance and Administration	Total Support Services	Indirect Cost Pools	
Expenses															
Allocations/aw ards (Note 11)	\$5,434,110	\$ -	\$ 13,609,972	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,044,082	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,044,082
Less donor designated	(814,897)	-	-	-	-	-	-	-	(814,897)	-	-	-	-	-	(814,897)
Net allocations/ aw ards	4,619,213	-	13,609,972	-	-	-	-	-	18,229,185	-	-	-	-	-	18,229,185
Personnel															
Labor, salaries and wages	205,934	215	92,070	113,828	39,322	9,250	120,771	40,726	622,116	447,659	36,305	465,646	949,610	176,371	1,748,097
Payroll taxes	15,883	16	6,578	8,233	2,904	710	9,191	5,469	48,984	34,789	2,702	32,986	70,477	14,856	134,317
Employee benefits (Note 13)	39,172	49	15,400	25,447	10,442	2,310	14,549	9,859	117,228	86,801	8,971	79,590	175,362	41,581	334,171
Total personnel expenses	260,989	280	114,048	147,508	52,668	12,270	144,511	56,054	788,328	569,249	47,978	578,222	1,195,449	232,808	2,216,585
Other															
Contract services	14,102	-	36,418	-	549	549	2,520	163,909	218,047	3,947	-	45,518	49,465	-	267,512
Office and program supplies	494	-	500	34,743	3,915	8,937	7,908	657	57,154	1,963	714	2,867	5,544	14,184	76,882
Printing	4,883	123	905	3,449	78	-	-	-	9,438	20,699	1,804	761	23,264	14,387	47,089
Advertising and promotional items	1,870	3,801	420	642	-	-	410	50,606	57,749	19,755	1,519	-	21,274	14,163	93,186
Events and miscellaneous marketing	822	-	-	1,309	-	-	34	-	2,165	25,247	1,901	1,623	28,771	22,854	53,790
Postage and shipping	36	-	-	-	-	-	-	-	36	4,054	277	511	4,842	12,221	17,099
Telephone	-	-	-	-	-	-	4,065	-	4,065	-	50	-	50	31,935	36,050
Building, maintenance, utilities and taxes	-	-	-	-	-	-	32,621	-	32,621	-	7,480	30	7,510	210,502	250,633
Employee business expense	1,472	-	720	564	138	-	1,183	-	4,077	10,275	3,712	3,970	17,957	1,274	23,308

(Continued)

UNITED WAY OF CENTRAL FLORIDA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2021

	Program Services								Support Services						2021 Total
	Community Impact	Financial Stability	Disaster Relief	Success by 6	Master Teacher	Women United - ReadingPals	Family Fundamentals	2-1-1	Total Program Services	Campaign, Leadership, WU and Planned Giving	Highlands County Operation	Finance and Administration	Total Support Services	Indirect Cost Pools	
Other expenses (continued)															
Training and development	\$ 854	\$ -	\$ -	\$ 70	\$ 310	\$ -	\$ 1,390	\$ -	\$ 2,624	\$ 6,984	\$ 161	\$ 11,131	\$ 18,276	\$ 6,719	\$ 27,619
Temporary help	-	-	-	-	-	-	-	-	-	-	-	5,550	5,550	829	6,379
Insurance	-	-	-	-	-	-	3,697	-	3,697	-	-	-	-	15,312	19,009
Miscellaneous	310	-	941	-	-	-	9,562	-	10,813	4,974	1,243	15,701	21,917	2,295	35,025
Equipment rental and maintenance	4,175	-	-	35	92	17	3,279	2,306	9,904	6,282	8	26,144	32,434	69,210	111,548
Membership dues	-	-	750	-	-	-	30	-	780	3,420	230	2,838	6,488	2,366	9,634
Depreciation expense	6,092	6	2,733	3,380	1,163	289	41,667	1,204	56,534	13,224	1,072	13,807	28,103	-	84,637
United Way of Florida dues	-	-	-	-	-	-	-	-	-	-	-	-	-	19,905	19,905
Total other expenses	<u>35,110</u>	<u>3,930</u>	<u>43,387</u>	<u>44,192</u>	<u>6,245</u>	<u>9,792</u>	<u>108,366</u>	<u>218,682</u>	<u>469,704</u>	<u>120,824</u>	<u>20,171</u>	<u>130,451</u>	<u>271,445</u>	<u>438,156</u>	<u>1,179,305</u>
Total personnel and other expenses	296,099	4,210	157,435	191,700	58,913	22,062	252,877	274,736	1,258,032	690,073	68,149	708,673	1,466,894	670,964	3,395,890
United Way Worldwide dues	-	-	-	-	-	-	-	-	-	-	-	-	-	140,374	140,374
Cost pool allocations	<u>104,724</u>	<u>128</u>	<u>52,432</u>	<u>58,332</u>	<u>19,161</u>	<u>6,515</u>	<u>60,108</u>	<u>19,957</u>	<u>321,357</u>	<u>232,441</u>	<u>19,568</u>	<u>237,971</u>	<u>489,981</u>	<u>(811,338)</u>	<u>-</u>
Total expenses	<u>\$5,020,036</u>	<u>\$ 4,338</u>	<u>\$ 13,819,839</u>	<u>\$ 250,032</u>	<u>\$ 78,074</u>	<u>\$ 28,577</u>	<u>\$ 312,985</u>	<u>\$ 294,693</u>	<u>\$ 19,808,574</u>	<u>\$ 922,514</u>	<u>\$ 87,717</u>	<u>\$ 946,644</u>	<u>\$ 1,956,875</u>	<u>\$ -</u>	<u>\$ 21,765,449</u>

See accompanying notes to financial statements

UNITED WAY OF CENTRAL FLORIDA, INC.
STATEMENTS OF CASH FLOWS
Years ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Change in net assets	\$ (1,206,411)	\$ 3,557,458
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	83,848	84,637
Beneficial interest in assets held by others	163,323	(250,256)
Loss on disposal of property and equipment	2,382	3,338
Net (gain) loss on investments	964,469	(1,300,092)
Contributions to permanent endowments	(12,742)	(12,408)
Change in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(228,001)	11,915
Pledges receivable	4,504,210	(1,373,968)
Grant advances	-	7,721,774
Other current assets	(76,026)	(79,648)
Beneficial interest in assets held by others	1,917	473,477
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	102,008	25,935
Designations payable	(2,919,208)	(944,189)
Grant advance liability	-	(12,821,853)
Cash from operating activities	<u>1,379,769</u>	<u>(4,903,880)</u>
Cash flows from investing activities		
Purchases of property and equipment	(39,643)	(39,165)
Purchases of investments	(150,487)	(92,543)
Proceeds from the sale of investments	116,069	115,875
Cash from investing activities	<u>(74,061)</u>	<u>(15,833)</u>
Cash flows from financing activities		
Contributions to permanent endowments	<u>12,742</u>	<u>12,408</u>
Cash from financing activities	<u>12,742</u>	<u>12,408</u>
Net increase in cash and cash equivalents	1,318,450	(4,907,305)
Cash and cash equivalents at beginning of year	<u>3,860,819</u>	<u>8,768,124</u>
Cash and cash equivalents at end of year	<u>\$ 5,179,269</u>	<u>\$ 3,860,819</u>
Supplemental disclosure of cash flow information		
In-kind donations	<u>\$ 56,089</u>	<u>\$ 85,877</u>

See accompanying notes to financial statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business Activity: The United Way of Central Florida, Inc. (UWCF) is a not-for-profit Florida corporation legally established on June 28, 1980 as a voluntary health and welfare organization. Governance is by a voluntary Board of Directors.

UWCF is disrupting the typical not-for-profit model by amplifying donor dollars with local matches and convening partners to improve efficiency and brokering only those services that produce the best possible return on investment.

Vision: UWCF's vision is to unite our community and empower everyone to achieve their full potential.

Mission: To inspire our community to give, advocate and volunteer by identifying needs and mobilizing vetted resources to create positive local change.

Descriptions of the various programs are as follows:

Community Impact: UWCF's premiere Community Investment Process mobilizes more than 100 volunteers on 16 teams around their focus areas of EDUCATION, INCOME, HEALTH and SAFETY NET. These volunteers visit program sites, review previous investments, program goals and outcomes, and make recommendations about the most effective way to meet critical community needs.

EDUCATION: The Early Literacy Initiative helps at-risk children develop the language skills they need to succeed in school. Given the right start, children learn to read, succeed academically and are more likely to graduate from high school. Academic Achievement Initiative helps children in grades K–12 pass achievement tests at grade level and graduate on time.

FINANCIAL STABILITY/INCOME: The Financial Stability initiative helps families improve financial stability with GED and job training, credit and budgeting classes, money coaches, financial education and savings match programs. Improved credit scores, increases in emergency savings accounts, increases in job related credentials and/or increases in family income measure success.

HEALTH: The Health Initiative helps people of all ages to improve or maintain good health. United Way improves access and utilization of health services and increases knowledge and personal responsibility about health issues that lead to improved blood pressure, weight control and other specific health indicators. United Way also works to reduce avoidable hospitalizations and incarcerations with prevention services and treatment for those with addiction.

SAFETY NET: The Safety Net Initiative provides relatively short-term, crisis intervention services that vary widely, but meet one or more of the following: 1) Must verify that the service helped to stabilize a crisis, 2) Must refer clients to sources of on-going support (counseling, health clinic etc.) as needed, 3) Must verify quality of services using approved indicators selected by experts on a Safety Net Steering Team, 4) Crisis includes but is not limited to: health emergency, domestic violence, rape, child abuse, fire, teenaged runaways, hospice care, hunger & homelessness.

END HUNGER INITIATIVE: The End Hunger Initiative helps to eliminate hunger and food insecurity by increasing the access to food and helps families to find financial stability.

- In 2020-22 our food distributions were able to provide food to over 650,000 visitors in Polk, Highlands, and Hardee Counties. In the first two years of this initiative, over 5,000,000 meals were provided to communities in need.

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

COMMUNITY PARTNERSHIP SCHOOL INITIATIVE: The Community Partnership School Initiative helps to provide a full service health clinic, financial education and academic support for Polk's first Community Partnership School.

- In 2020, Crystal Lake Elementary, A Community Partnership School began operations under guidance from the University of Central Florida. Five core partners of this project are Southeastern University, Heartland for Children, Central Florida Health Care, Polk County Public Schools, and United Way of Central Florida.

Disaster Relief: Provides immediate assistance and long term recovery support in the event our community needs urgent disaster relief. UWCF develops partnerships to address the many challenges and/or emergencies that our community faces. UWCF meets with partners to coordinate the efforts of government, businesses, non-profit and faith-based organizations involved in disaster response.

UWCF continues to respond to COVID-19 through food security efforts and other assistance. With the support of local partnerships, UWCF was able to provide the following support:

- The United Community Relief Fund was formed in partnership with GiveWell Community Foundation in 2020 and provided over \$610,000 in 2020-21 in aid to nonprofits to fund food, childcare, adult care, personal protective equipment, shelter, utilities, and other emergency needs. Although limited in 2021-22, the fund did assist multiple food distributions with \$18,900 in equipment and additional protein for visitors.
- Publix Super Markets Emergency Relief provided \$82,213 to support individuals who have experienced hardships due to COVID-19 and other emergencies.
- 2-1-1 referrals have remained high due to increasing needs faced by citizens of Polk, Highlands and Hardee counties; including the housing crisis, inflation of all goods, supply chain woes, fuel prices, childcare crisis, and staffing shortages.

Success By 6: Success By 6 (SB6) mobilizes volunteers from local organizations, businesses, government, churches, civic groups, educators and human services to ensure that all children, by the age of six, have the physical, emotional, social and mental foundation to succeed in school and in life. Since 1995, UWCF's SB6 has focused on early literacy to help children enter school ready to succeed. In total Success By 6 programs placed 53,371 books in the hands of children in FY 21/22. In addition:

- 134 Parent Lending Libraries were in childcare centers serving low-income families; with 26,182 books checked out.
- To increase awareness of the importance of early childhood education, Born Learning, a \$90 million early childhood awareness campaign developed by the Ad Council, Civilian & Success By 6 provided more than 300,000 messages to citizens of Central Florida. These included bus signs, billboards, newspaper advertisements and parent education materials placed in key locations throughout the area and 4,950 pieces of Born Learning literature.
- Dolly Parton Imagination Library mails a book each month to the homes of preschool children.

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Let's Grow is a Success By 6 initiative facilitated by UWCF to improve language skills of children at-risk of school failure. Language skills predict the ability of children to learn to read. Of middle/high income children, 8 of 10 enter school with the skills they need. However, only 2 of 10 low income children have sufficient skills. Children who enter school ready to succeed, learn to read and graduate on time. Let's Grow partners provide early literacy interventions improving vocabulary scores by an average of 5 months for every 1 month of exposure to the interventions.

Family Fundamentals: An outreach of Success By 6 - Family Fundamentals is a “one-stop” parent resource center which mobilizes partnerships with more than 42 human service organizations providing parents and family members with activities, classes, reading, tutoring and other programs designed to strengthen the development of our children and family relationships.

Master Teacher: An outreach of Success By 6 school readiness – the expanded Master Teacher initiative targets neighborhoods where children considered at-risk for school failure reside. It provides an internship for childcare instructors using three Master Teachers along with parent education classes to help the instructors and parents to prepare children to enter kindergarten ready to succeed. Readiness skills for children in classes with teachers trained by a Master Teacher improved an average of 3 months for every 1 month with the newly trained caregiver.

2-1-1: The 2-1-1 program provides information and referrals to families/individuals and community groups concerning local services and resources. 2-1-1 also identifies gaps in services; assists in creating remedies to meet local needs; connects individuals/families to resources; and advocates on behalf of individuals/families for access to resources. It also works to provide better service, accessibility and information to the Hispanic community.

- From March 1, 2021-March 1, 2022, 211 received 61,848 contacts for services through calls, chats, texts, and e-mail inquiries. This represents a 13% decrease over the previous year. In addition there were 48,844 webpage views for end hunger, 211, free tax prep, and COVID resources.

Women United – ReadingPals: In Spring 2012, UWCF received a first year grant to begin ReadingPals. Planning and implementation include collaborations with Polk and Highlands County Schools, the Early Learning Coalition of Polk and Learning Resource Center. From 2012-2020, Carol and Barney Barnett invested over \$8,500,000 in 17 regions throughout the state of Florida to improve early literacy. ReadingPals focuses on engaging, training and deploying volunteer tutors to increase the number of students reading at grade level by the end of 3rd grade. It is important to our community, to the Barnetts, to all businesses and families in Florida that we make a united effort to reduce the close to 50% of children who are not reading at grade level. The program experienced lower numbers in 2020 and 2021 due to COVID's interference with volunteering in schools. ReadingPals traditional (in person) program transitioned to virtual on a limited basis in 2020. In 2021 the in-person program was scaled back to six schools and less than 50 volunteers. For the 2022 school year our goal is to return the program to its full 14 schools, 59 classrooms, and 236 ReadingPals volunteers.

Basis of Accounting: These financial statements have been presented on the accrual basis of accounting.

(Continued)

UNITED WAY OF CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation: UWCF has adopted Financial Accounting Standards Board, Accounting Standards Codification (ASC) 958, Not-for-Profit Entities. Under ASC 958, UWCF is required to report information regarding its financial position and activities according to two classes of net assets: (1) net assets without donor restrictions, which are available for use in general operations and not subject to donor restrictions and (2) net assets with donor restrictions, which include donor-imposed restrictions that will be met either by actions of UWCF and/or the passage of time. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that the resources be maintained in perpetuity.

Net assets without donor restrictions consist of operating funds available for any purpose authorized by the board of directors. At June 30, 2022 and 2021, UWCF had \$9,862,387 and \$10,936,741, respectively, in net assets without donor restriction.

Net assets with donor restrictions consist of funds arising from gifts in which the donor has stipulated, as a condition of the gift, restrictions on how or when the gift may be spent or that the principal be maintained in perpetuity and only the investment income from investment of the funds be expended. Certain donor endowments also specify that a portion of the earnings from the investment be reinvested as principal, or that all income earned over a period of time be reinvested. Amounts are also transferred for specific uses from time to time, as requested by the donor. As of June 30, 2022 and 2021, UWCF had \$5,468,297 and \$5,600,354, respectively, in net assets with donor restrictions.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Pledges Receivable: The allowance for uncollectible pledges of the current year campaign is based on a 3-year average of prior years' collection experience. Net prior year campaign pledges receivable is based on actual collections through March 31st, with the outstanding balance as of that date considered to be uncollectible.

Designations Payable: Donor designated amounts that have not been paid to agencies as of June 30 are recorded as designations payable. This amount includes designations payable to other United Ways from the Publix Other United Way Campaigns, in which UWCF is the agent for the campaigns.

Revenue Recognition: UWCF recognizes revenues as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of net assets with donor restrictions (i.e., the donor stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reclassified to net assets without donor restrictions.

Unconditional promises to give are recognized as revenues in the period received. Donor restricted contributions whose restrictions are met in the same reporting period have been reported as unrestricted revenue in the statement of activities. Promises to give that are designated for future campaign years are reported as increases to net assets with donor restrictions and are reclassified to net assets without donor restrictions when the time or purpose restriction is met. Conditional promises to give are recorded when all eligibility requirements have been met.

(Continued)

UNITED WAY OF CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As of June 30, 2022, UWCF did not have any conditional promises to give. As of June 30, 2021, UWCF has a conditional promise to give of \$1,300,000 contingent on the donor's employees paying their pledge contributions.

Grants and Contracts: UWCF receives grants and contracts for various projects and programs. Grants are recorded as contributions or exchange transactions and are administered through United Way as part of the normal course of business.

Beneficial Interests in Assets Held by Others: UWCF has beneficial interests in two perpetual trusts. UWCF estimates the values of the current contribution revenue and endowments based on the fair value at the end of the fiscal year. The fair value of these endowments as of June 30, 2022 and 2021 was \$737,383 and \$897,875, respectively.

A perpetual trust held by a third party is an arrangement where a donor establishes and funds a perpetual trust administered by an individual or organization other than the not-for-profit beneficiary. Under the terms of the trust, UWCF has the irrevocable right to receive the income earned on the trust assets in perpetuity, but never receives the assets held in trust. Distributions received by UWCF may be restricted by the donor.

The arrangement is recognized by the not-for-profit beneficiary as contribution revenue and as an asset when UWCF is notified of the trust's existence. The fair value of the contribution is estimated using the fair value of the assets contributed to the trust, unless facts and circumstances indicate that the fair value of the beneficial interest differs from the fair value of the assets contributed to the trust.

The contribution is classified as donor restricted support because the trust is similar to a donor restricted permanent endowment that UWCF does not control, rather than a multiyear promise to give. Annual distributions from the trust are reported as investment income that increases unrestricted net assets. UWCF remeasures its beneficial interest at fair value, using the same valuation technique that was used to measure the asset initially. The adjustment is recognized as donor restricted gains or losses.

UWCF has a Charitable Lead UniTrust beneficial interest in trusts held by third parties reported in net assets with donor restrictions. The fair value of the Trust as of June 30, 2022 and 2021 was \$4,435 and \$9,095, less present value discounts of \$122 and \$34, respectively.

This Trust was valued in the first year known of the trust's existence, using a present value method to reflect the time value of money for the projected future cash flows. A risk appropriate rate of return was set in the first year to approximate market value. UWCF remeasures its beneficial interest at fair value, using the same valuation technique that was used to measure the asset initially. The adjustment is recognized as donor restricted gains or losses.

Cash Equivalents: All highly liquid investments with original maturities of three months or less are considered to be cash equivalents.

Investments: UWCF has adopted Financial Account Standards Board, Accounting Codification ASC 320, *Investments*. Under ASC 320, investments are recorded at fair value, and realized and unrealized gains and losses are reflected in the statement of activities.

(Continued)

UNITED WAY OF CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment: Building and office equipment having a unit cost of \$500 or more and a useful life of one or more years are recorded at cost when purchased and at current fair values when donated. Depreciation is provided on a straight-line basis over the estimated useful lives of the depreciable assets. Estimated useful lives are as follows:

Buildings and improvements	5 - 30 years
Office equipment and furniture	3 - 10 years
Automobiles	5 years

Donated Services: Donated materials and equipment are reflected as contributions of their estimated fair values at date of receipt. Contributions of services are recognized if the services received create or enhance nonfinancial assets, or require specialized skills, or are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. A substantial number of volunteers have donated significant amounts of their time in UWCF's program services, fund raising campaigns and administrative functions; however, amounts have not been reflected in the accompanying financial statements for these services.

Federal Income Tax: UWCF has received determination of tax exempt status from the Internal Revenue Service under Code Section 501(c)(3) and, consequently, the earnings of UWCF are not taxed.

A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded.

UWCF does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months. UWCF recognizes interest and/or penalties related to income tax matters in income tax expense. UWCF did not have any amount accrued for interest and penalties at June 30, 2022 or 2021.

Functional Expense Allocation: The costs of supporting the various programs and other activities have been summarized on a functional basis in the statement of activities. Certain costs have been allocated among the program, management and general, and fundraising categories based on the actual direct expenditures and cost allocations based upon estimates by management. Indirect costs are allocated on the direct salaries and wages from monthly timesheets.

Fundraising expenses include all costs in departments that are focused primarily on Resource Development/fundraising. They are identified on the Statement of Functional Expenses in two columns, "Campaign, Leadership, WU and Planned Giving" and "Highlands County Operation" for total fundraising expenses. Fundraising expenses are combined with management and general expenses in "Finance and Administration" to total the Support Services expenses as shown on the Statement of Activities.

	<u>2022</u>	<u>2021</u>
Campaign, Leadership, WU and Planned Giving	\$ 967,690	\$ 922,514
Highlands County Operation	<u>126,009</u>	<u>87,717</u>
Total Fundraising Expenses	1,093,699	1,010,231
Finance and Administration	<u>1,030,289</u>	<u>946,644</u>
Total Support Services Expenses	<u>\$ 2,123,988</u>	<u>\$ 1,956,875</u>

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

United Way Worldwide Cost Deduction Standard M: Donor designated pledges are assessed both a fundraising and a management and general service fee based on actual historical costs in accordance with United Way Worldwide Membership Standards as outlined in their publication titled *United Way Worldwide Cost Deduction Requirements for Membership Standard M*. These service fees are assessed and recognized at the time the pledges are paid to the designated organization unless there is a memorandum of understanding with an entity stating otherwise.

Reclassification: Certain reclassifications have been made to the 2021 financial statements, to conform to the 2022 financial statement presentation. Such reclassifications had no effect on the reported changes in net assets or net assets taken as a whole.

Recent Accounting Pronouncements: In September 2020, the FASB issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The new guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. The amendments in this ASU are effective retrospectively for fiscal years beginning after June 15, 2021. UWCF adopted ASU 2020-07 for its fiscal year ending June 30, 2022 and has adjusted the presentation of these financial statements accordingly. The ASU has been applied retrospectively to all periods presented. The implementation of this ASU did not have a material impact on the amounts previously presented.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to June 30, 2022 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended June 30, 2022. Management has performed their analysis through October 20, 2022 the date the financial statements were available to be issued.

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UNITED WAY OF CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 2 – LIQUIDITY AND AVAILABILITY

UWCF's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 5,179,269	\$ 3,860,819
Investments	5,648,132	6,578,183
Accounts receivable, net	510,542	282,541
Pledges receivable, net	3,288,789	4,832,051
Beneficial interest	<u>741,696</u>	<u>906,936</u>
Total financial assets available within one year	15,368,428	16,460,530
Less:		
Amounts unavailable for general expenditures within one year due to:		
Restricted by donors with purpose restrictions	(1,677,387)	(1,513,069)
Restricted by donors in perpetuity	<u>(1,193,579)</u>	<u>(1,339,330)</u>
Total amounts unavailable for general expenditures within one year	(2,870,966)	(2,852,399)
Amounts unavailable to management without Board's approval:		
Board designated for quasi-endowment	<u>(1,828,592)</u>	<u>(2,074,676)</u>
Total financial assets available to management for general expenditure within one year	<u>\$ 10,668,870</u>	<u>\$ 11,533,455</u>

UWCF maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

UWCF has an 'Investments Policy' that recommends target ranges for investment allocations by categories for operations or in excess of current operating liquidity needs. In addition, a separate 'Reserves Policy' recommends a target reserves level of three months of operating expenditures, or \$2,215,733 and \$2,157,673 as of June 30, 2022 and 2021, respectively. UWCF considers these reserves available for use on general expenditures within the next year as necessary, although this need is not anticipated. As of June 30, 2022 and 2021, respectively, the Investment balance for Unrestricted Reserves was \$3,028,244 and \$3,577,691.

The Board designates a portion of the current year campaign to fund Allocations for the next 12 months. As Allocations are general operating costs and have been budgeted for subsequent fiscal year, these funds are considered available.

The amount listed Unavailable 'Board Designated for Quasi-Endowment' as of June 30, 2022, includes \$625,872 unrestricted, and \$1,202,720, restricted for Highlands County. The amount listed Unavailable 'Board Designated for Quasi-Endowment' as of June 30, 2021, includes \$669,902 unrestricted, and \$1,404,774, restricted for Highlands County. Draws for a total of \$44,000 and \$63,644 from the restricted endowment have been budgeted and are considered available for use as of June 30, 2022 and June 30, 2021. While UWCF does not intend to spend any of these Unavailable funds for purposes other than planned or restricted, the amounts could be made available for current operations for purposes intended, by Board approval, if necessary.

(Continued)

UNITED WAY OF CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 2 – LIQUIDITY AND AVAILABILITY (Continued)

As of June 30, 2022 other restricted endowments are unavailable, however, estimated Trust distributions of \$0 and \$43,000 from Beneficial Interests held by third parties, have been budgeted and are available. As of June 30, 2021 other restricted endowments are unavailable, however, estimated Trust distributions of \$0 and \$45,000 from Beneficial Interests held by third parties, have been budgeted and are available.

UWCF also has assets in Pledges, Investments, or Beneficial Interests, that are donor restricted, or restricted by purpose or time. To the extent the restricted purpose or time is budgeted for expenditures in the next 12 months, they are considered available for use as of June 30, 2022 and 2021.

Some donors have restricted their gifts for emergency relief. These are within the purpose restricted gifts and are considered available if they have been budgeted for fiscal year 2022-2023 or fiscal year 2021-2022, respectively. Funds accumulated beyond the amount available retain their restrictions for the emergency purposes, which currently include the “Last Resort Fund”, “Newspaper with a Heart Fund” and “Destination Graduation”.

NOTE 3 – CASH AND CASH EQUIVALENTS

UWCF maintains its cash balances in various bank accounts which, at times, may exceed federally insured limits. UWCF has not experienced any losses in such accounts and does not believe they are exposed to any significant credit risk on their cash accounts.

Details of cash and cash equivalents are:

	<u>2022</u>	<u>2021</u>
Cash on hand	\$ 7,805	\$ 250
Checking accounts	<u>5,171,464</u>	<u>3,860,569</u>
	<u>\$ 5,179,269</u>	<u>\$ 3,860,819</u>

Funds held in checking and money market accounts are insured up to \$250,000 per account. At times UWCF’s cash balances are in excess of FDIC and other insured limits.

NOTE 4 – INVESTMENTS

Investments are stated at fair value. Fair values at June 30, 2022 and 2021 are summarized as follows:

	<u>2022</u>	<u>2021</u>
Mutual and exchange traded funds	<u>\$ 5,648,132</u>	<u>\$ 6,578,183</u>

(Continued)

NOTE 5 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The investments in mutual funds and other investments are exposed to a variety of uncertainties, including interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is possible that changes in the values of these investments could occur in the near term. Such changes could materially affect the amounts reported in the financial statements of UWCF.

Financial Accounting Standards Board Account Standards Codification, ASC 820, *Fair Value Measurements and Disclosures* defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in UWCF's principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date.

The Statement establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

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

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

Investments held in trust as custodian and endowments are reported at the fair value. Investments held in trust as custodian and endowments may include money market funds, securities and bonds. The fair values of debt and equity investments, including mutual funds that are readily marketable are determined by obtaining quoted prices on nationally recognized securities exchanges (level 1 inputs).

The fair value of beneficial interest in assets held by others is based on a valuation model that calculates the present value of estimated distributable income (income approach). The valuation model incorporates assumptions that market participants would use in estimating future distributable income. UWCF values its beneficial interests at the discounted present value of estimated future distributions it expects to receive (level 3 inputs). UWCF values its remaining beneficial interest based on the quoted market value of the investments (market approach) held in the trust outside the control of UWCF (level 3 inputs).

(Continued)

UNITED WAY OF CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 5 – FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Assets Measured on a Recurring Basis: Assets measured at fair value on a recurring basis are summarized below.

Asset composition as of June 30, 2022:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	Total
Mutual funds				
Fixed Income and Cash Alternative	\$ 982,621	\$ -	\$ -	\$ 982,621
Equity Mutual Funds	4,665,511	-	-	4,665,511
Beneficial Interest in Assets Held by Others	-	-	741,696	741,696
	<u>\$ 5,648,132</u>	<u>\$ -</u>	<u>\$ 741,696</u>	<u>\$ 6,389,828</u>

Asset composition as of June 30, 2021:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	Total
Mutual funds				
Fixed Income and Cash Alternative	\$ 477,559	\$ -	\$ -	\$ 477,559
Equity Mutual Funds	6,100,624	-	-	6,100,624
Beneficial Interest in Assets Held by Others	-	-	906,936	906,936
	<u>\$ 6,578,183</u>	<u>\$ -</u>	<u>\$ 906,936</u>	<u>\$ 7,485,119</u>

(Continued)

UNITED WAY OF CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 5 – FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

The tables below present a reconciliation and income statement classification of gains and losses for all assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended June 30, 2022 and 2021, respectively:

	Beneficial Interest in Assets Held By Community Foundation	Beneficial Interest in Perpetual Trust Held By Third Party Trustee	Beneficial Interests In Trust Held By Third Party Trustees	Total
Beginning balance at July 1, 2021	\$ 743,584	\$ 154,291	\$ 9,061	\$ 906,936
Total gains or losses - realized/unrealized included in changes in net assets	(90,213)	(28,825)	-	(119,038)
Amortization of discount	-	-	(2,831)	(2,831)
Interest and dividend income	11,969	6,000	-	17,969
Investment fees	(10,008)	-	-	(10,008)
Disbursed	(43,415)	(6,000)	(1,917)	(51,332)
Ending balance at June 30, 2022	<u>\$ 611,917</u>	<u>\$ 125,466</u>	<u>\$ 4,313</u>	<u>\$ 741,696</u>

	Beneficial Interest in Assets Held By Community Foundation	Beneficial Interest in Perpetual Trust Held By Third Party Trustee	Beneficial Interests In Trust Held By Third Party Trustees	Total
Beginning balance at July 1, 2020	\$ 649,220	\$ 126,511	\$ 354,426	\$ 1,130,157
Total gains or losses - realized/unrealized included in changes in net assets	139,887	27,780	-	167,667
Amortization of discount	-	-	128,353	128,353
Interest and dividend income	13,807	4,500	-	18,307
Purchases/contributions	-	-	55,640	55,640
Investment fees	(9,755)	-	-	(9,755)
Disbursed	(49,575)	(4,500)	(529,358)	(583,433)
Ending balance at June 30, 2021	<u>\$ 743,584</u>	<u>\$ 154,291</u>	<u>\$ 9,061</u>	<u>\$ 906,936</u>

(Continued)

UNITED WAY OF CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 5 – FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

The unrealized gains and losses are recorded in the accompanying statements of activities as “change in beneficial interest in trusts” with donor restrictions for the years ended June 30, 2022 and 2021, respectively, and relate to Level 3 assets that are still held at June 30, 2022 and 2021.

The carrying value of UWCF’s financial instruments not remeasured at fair value on a recurring basis approximates their fair value at June 30, 2022 and 2021. Such financial instruments include:

	<u>2022</u>	<u>2021</u>
Financial assets		
Cash and cash equivalents	\$ 5,179,269	\$ 3,860,819
Net accounts and pledge receivable	14,438,990	18,715,199

NOTE 6 – PROPERTY AND EQUIPMENT

Major classes of property and equipment consist of:

	<u>2022</u>	<u>2021</u>
Land	\$ 100,000	\$ 100,000
Buildings and improvements	1,164,913	1,160,183
Furniture, fixtures and equipment	405,356	647,444
Automobiles	<u>22,759</u>	<u>22,759</u>
	1,693,028	1,930,386
Less accumulated depreciation	<u>1,274,445</u>	<u>1,465,216</u>
	<u>\$ 418,583</u>	<u>\$ 465,170</u>

Depreciation expense for the years ended June 30, 2022 and 2021 is \$83,848 and \$84,637, respectively.

(Continued)

UNITED WAY OF CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions for which the donor-imposed restrictions have not yet been met or for which the corpus will be invested in perpetuity and only the income made available for program operations in accordance with donor stipulations is summarize as follows:

	<u>2022</u>	<u>2021</u>
Time restrictions:		
Campaign	\$ 42,243	\$ 34,958
Trusts	4,313	9,091
Endowments	<u>248,333</u>	<u>375,875</u>
Total time restrictions	294,889	419,924
Purpose restrictions:		
Master Teacher	325,906	211,917
Community Impact / Emergency Relief	1,444,766	1,386,469
Highlands Co.	1,248,276	1,470,474
Success By 6	132,304	123,799
Leadership Giving	29,080	148,239
Women United	132,521	138,470
Family Fundamentals	611,809	303,851
Loaned Ambassador	10,000	10,505
Annual Meeting	<u>2,166</u>	<u>2,376</u>
Total purpose restrictions	<u>3,936,828</u>	<u>3,796,100</u>
Endowments:		
Beneficial interest in assets held by others	737,383	897,875
Other endowment funds	<u>499,197</u>	<u>486,455</u>
Total endowments restrictions	<u>1,236,580</u>	<u>1,384,330</u>
Total net assets with donor restrictions	<u>\$ 5,468,297</u>	<u>\$ 5,600,354</u>

(Continued)

UNITED WAY OF CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 8 – RELEASE OF NET ASSETS WITH DONOR RESTRICTIONS

The net assets with donor restrictions released from restrictions by incurring expenses satisfying the restricted purpose/time restrictions were as follows:

	<u>2022</u>	<u>2021</u>
Time restrictions:		
Campaign	\$ 34,958	\$ 54,967
Trusts	<u>1,917</u>	<u>379,358</u>
Total time restrictions	36,875	434,325
Purpose restrictions:		
Master Teacher	71,011	75,976
Financial Stability	4,354	-
Success By 6	117,770	219,774
Community Emergency Relief	461,321	403,573
Family Fundamentals	83,312	204,539
Leadership Giving	119,158	99,705
Women United	51,704	20,801
Highlands Co.	59,512	59,303
Loaned Ambassadors	10,505	-
Annual Meeting	<u>208</u>	<u>-</u>
Total purpose restrictions	<u>978,855</u>	<u>1,083,671</u>
Total net assets with donor restrictions released from restrictions	<u>\$ 1,015,730</u>	<u>\$ 1,517,996</u>

NOTE 9 – DESIGNATIONS OF NET ASSETS WITHOUT DONOR RESTRICTIONS

Designations of net assets without donor-imposed restrictions have been earmarked for future allocations, grants or other uses as determined by action of the Board.

The primary purpose of the amount “designated per Board policy” is to prevent an interruption or a reduction of services due to an unanticipated shortage of available funds, or to provide for emergency funding for disaster relief within United Way of Central Florida’s operating area. The targeted balance to be maintained is one fourth of the current annual budget for operating expenses of Supporting and Program Services, the Allocable Dollar Pool Funds for the Community Investment Team Process.

(Continued)

UNITED WAY OF CENTRAL FLORIDA, INC.
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2022 and 2021

NOTE 9 – DESIGNATIONS OF NET ASSETS WITHOUT DONOR RESTRICTIONS (Continued)

The detail of Board designations at June 30th:

	<u>2022</u>	<u>2021</u>
Board designated net assets		
Designated for:		
Allocations	\$ 1,810,905	\$ 2,741,448
Board policy	2,215,733	2,157,673
Endowment per Board policy	<u>625,872</u>	<u>669,902</u>
Total Board designated net assets	<u>\$ 4,652,510</u>	<u>\$ 5,569,023</u>

NOTE 10 – DESIGNATIONS PAYABLE

The detail of allocations and designations payable at June 30th:

	<u>2022</u>	<u>2021</u>
Designations payable:		
Publix Other United Ways Campaigns	\$ 10,427,964	\$ 13,365,607
Other designations payable:		
Donor designations to member agencies	200,782	255,782
Other United Ways	293,008	245,791
Donor designations for		
Out of Area Campaign	-	60
Donor designations to		
unaffiliated agencies	<u>120,567</u>	<u>94,289</u>
Total other designations payable	<u>614,357</u>	<u>595,922</u>
Total designations payable	<u>\$ 11,042,321</u>	<u>\$ 13,961,529</u>

(Continued)

UNITED WAY OF CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 11 – ALLOCATIONS TO AGENCIES AND OTHER UNITED WAY ORGANIZATIONS

	<u>2022</u>	<u>2021</u>
Program category		
Polk/Hardee		
Education - Helping Children to Succeed in School - 33 programs		
Education 1- "School Readiness"	\$ 513,447	\$ 429,105
Education 2- "Academic Achievement"	326,081	552,915
Education 3- "Academic Achievement"	291,861	271,573
Education 4- "Academic Achievement"	269,388	259,259
Education 5- "Academic Achievement"	709,796	119,343
Education 6- "School Readiness"	<u>-</u>	<u>292,299</u>
Total Education Programs	2,110,573	1,924,494
Income - Housing & Home Life Stability - 15 programs		
Income 1- "Savings/Credit/Job Improvement"	297,631	260,149
Income 2- "Savings/Credit/Job Improvement"	<u>280,402</u>	<u>251,641</u>
Total Income Programs	578,033	511,790
Health - Helping Seniors & Those with		
Disabilities to Maintain Independence - 20 programs		
Health 1- "Health Knowledge/Personal Responsibility"	258,537	231,579
Health 2- "Health Knowledge/Personal Responsibility"	254,880	216,402
Health 3- "Health Knowledge/Personal Responsibility"	254,667	217,897
Health 4- "Health Knowledge/Personal Responsibility"	<u>202,388</u>	<u>190,869</u>
Total Health Programs	970,472	856,747
Safety Net - Helping with Crisis - 14 programs		
Safety Net 1- Addressing Community Needs	262,729	234,345
Safety Net 2- Addressing Community Needs	<u>257,081</u>	<u>232,537</u>
Total Safety Net Programs	519,810	466,882
Highlands County Programs (20 Programs)	<u>234,160</u>	<u>242,973</u>
Total Program Allocations	4,413,048	4,002,886
Disaster relief emergency - allocations and assistance	73,637	13,609,972

(Continued)

UNITED WAY OF CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 11 – ALLOCATIONS TO AGENCIES AND OTHER UNITED WAY ORGANIZATIONS (Continued)

	<u>2022</u>	<u>2021</u>
Other funding to member agencies:		
Contributor choice	\$ 382,193	\$ 557,991
Total other funding to member agencies	382,193	557,991
Allocations and designations to others:		
Unaffiliated agencies	171,693	197,856
Contributor choice other United Ways	22,800	13,177
Contributor choice Third Party Processors	59,575	45,874
Community emergency relief	82,103	71,733
Other grants and contributions	<u>594,256</u>	<u>544,593</u>
Total allocations and designations to others	<u>930,427</u>	<u>873,233</u>
Total allocations and awards	5,799,305	19,044,082
Less: donor designations	<u>(637,046)</u>	<u>(814,897)</u>
Total donor designations	<u>(637,046)</u>	<u>(814,897)</u>
Total allocations to agencies and other		
United Way organizations	<u>\$ 5,162,259</u>	<u>\$ 18,229,185</u>

NOTE 12 – PLEDGE RECEIVABLES

UWCF expects to collect all outstanding pledges in approximately one year. The rate to calculate the allowance for uncollectibles is determined annually on April 30th. This rate is computed based on actual unpaid balances remaining at 16 months past December 31st of the initial campaign year. This rate is then averaged over 3 years to determine the next campaign year's pledge allowance estimate.

The provision for estimated uncollectible pledges for the current and prior campaigns was 5.0 and 6.1 percent, respectively.

UWCF acts as Processor for the Publix Regional Campaign. This activity does not flow through the Statement of Activities and is recorded as a liability payable to the other United Ways that are the fundraisers.

The provision for estimated uncollectible pledges for the current and prior Publix Other United Ways Campaigns, based on the 3 year average, was 28.6 percent and 28.2 percent for 2022 and 2021, respectively.

Challenge Grants do not require an estimated reserve due to history of 100 percent collectability.

(Continued)

UNITED WAY OF CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 12 – PLEDGE RECEIVABLES (Continued)

	<u>2022</u>	<u>2021</u>
Pledge Receivables		
Local Campaign	\$ 3,031,208	\$ 4,530,529
Jenkins Family Grants-Local	555,000	740,000
Raised by Others	<u>2,581</u>	<u>3,522</u>
Total Local Pledge receivables	3,588,789	5,274,051
Publix Other United Ways Campaigns	18,159,450	22,955,607
Jenkins Family Grants-Other United Ways	235,000	235,000
Others	<u>6,209</u>	<u>-</u>
Total Regional Pledge receivables	<u>18,400,659</u>	<u>23,190,607</u>
Total Pledge Receivables	<u>\$ 21,989,448</u>	<u>\$ 28,464,658</u>
Less Allowance for Uncollectible		
Local Campaign	\$ (300,000)	\$ (442,000)
Publix Other United Ways Campaigns	<u>(7,761,000)</u>	<u>(9,590,000)</u>
Total Allowance for Uncollectible	<u>\$ (8,061,000)</u>	<u>\$ (10,032,000)</u>

NOTE 13 – RETIREMENT PLAN

UWCF provides a defined contribution plan that covers regular employees age 21 or over and who have completed one year of service. UWCF provides contributions employer matching up to 3% of compensation, plus, an additional employer contribution of 7%. Employees may contribute non- matched contributions starting prior to one year of service. Full vesting occurs after six years of service using a graded vesting schedule. UWCF made contributions for the year ended June 30, 2022 and 2021 of \$134,148 and \$150,646, respectively.

NOTE 14 – DONATED GOODS AND SERVICES

UWCF receives various forms of gift-in-kind (GIK) including event or office space, in-kind services, billboards or public service announcements (PSA) or other food and non-food items such as supplies. GIK are reported as contributions at their estimated fair value on the date of receipt and reported as expense when utilized. GIK are valued based upon 3rd party estimates of fair market or wholesale values that would be received for selling the goods considering their condition and utility for use as determined by the donor. Donated GIK are not sold and goods are only distributed for program use.

(Continued)

UNITED WAY OF CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 14 – DONATED GOODS AND SERVICES (Continued)

Nonfinancial contributions category	Type of Contributions for Beneficiaries	Valuation	2022	2021
Facilities	Event space, program or office space	3rd party estimates using rental rates in like circumstances	\$ 22,440	\$ 7,480
Consulting services	Professional coaching, and staff training	3rd party estimates using billing rates in like circumstances	19,514	-
Professional services	IT and legal professional services that would typically be purchased if not provided in-kind	3rd party estimates using billing rates in like circumstances	8,535	3,015
Media	Billboards, Digital, broadcast, and public service announcements	3rd party estimates using media or PSA rates in like circumstances	5,600	54,300
Other goods	Food and non-food items and supplies	3rd party estimates of wholesale prices of similar products and condition	-	21,082
Total			<u>\$ 56,089</u>	<u>\$ 85,877</u>

NOTE 15 – ENDOWMENT COMPOSITION

The United Way's endowment consists of one beneficial interest in assets held at the GiveWell Community Foundation. In addition, the total of all endowments includes a perpetual trust that is administered by another third party as well as an internally held endowment accumulated through gifts and bequests. As required by applicable standards, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

(Continued)

UNITED WAY OF CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 15 – ENDOWMENT COMPOSITION (Continued)

Endowment net asset composition by type of fund as of June 30, 2022:

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 747,529	\$ 747,529
Board-designated funds	625,872	1,246,720	1,872,592
Beneficial interest in perpetual trust	-	125,466	125,466
Beneficial interest in perpetual assets held by GiveWell Community Foundation	<u>-</u>	<u>611,917</u>	<u>611,917</u>
Total funds	<u>\$ 625,872</u>	<u>\$ 2,731,632</u>	<u>\$ 3,357,504</u>

Endowment net asset composition by type of fund as of June 30, 2021:

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 862,331	\$ 862,331
Board-designated funds	669,902	1,468,418	2,138,320
Beneficial interest in perpetual trust	-	154,291	154,291
Beneficial interest in perpetual assets held by GiveWell Community Foundation	<u>-</u>	<u>743,584</u>	<u>743,584</u>
Total funds	<u>\$ 669,902</u>	<u>\$ 3,228,624</u>	<u>\$ 3,898,526</u>

(Continued)

UNITED WAY OF CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 15 – ENDOWMENT COMPOSITION (Continued)

Changes in endowment net assets for the year ended June 30, 2022 consist of the following:

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Net assets at beginning of year	\$ 669,902	\$ 3,228,624	\$ 3,898,526
Investment return:			
Investment income, net	55,550	13,269	68,819
Net appreciation (realized and unrealized)	<u>(100,164)</u>	<u>(464,492)</u>	<u>(564,656)</u>
Total investment return	(44,614)	(451,223)	(495,837)
 New gifts	 50,000	 12,742	 62,742
Release of endowment assets for appropriation	58,511	(58,511)	-
Appropriation	<u>(107,927)</u>	<u>-</u>	<u>(107,927)</u>
 Net assets at end of year	 <u>\$ 625,872</u>	 <u>\$ 2,731,632</u>	 <u>\$ 3,357,504</u>

Changes in endowment net assets for the year ended June 30, 2021 consist of the following:

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Net assets at beginning of year	\$ 533,072	\$ 2,692,147	\$ 3,225,219
Investment return:			
Investment income, net	58,873	10,083	68,956
Net appreciation (realized and unrealized)	<u>132,033</u>	<u>572,637</u>	<u>704,670</u>
Total investment return	190,906	582,720	773,626
 New gifts	 -	 12,408	 12,408
Release of endowment assets for appropriation	58,651	(58,651)	-
Appropriation	<u>(112,727)</u>	<u>-</u>	<u>(112,727)</u>
 Net assets at end of year	 <u>\$ 669,902</u>	 <u>\$ 3,228,624</u>	 <u>\$ 3,898,526</u>

Interpretation of UPMIFA: The State of Florida enacted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) effective July 1, 2012. The Board of Directors of United Way requires the preservation of the "Historic Dollar Value", defined as the fair value of the original and subsequent gift(s) to the fund which shall be retained in the absence of explicit donor stipulations. This definition only applies to endowment funds subject to UPMIFA and does not include quasi-endowments, or funds where the 3rd party Trustee owns and controls the assets.

(Continued)

NOTE 15 – ENDOWMENT COMPOSITION (Continued)

As a result of this interpretation, United Way classifies as net assets with donor restrictions the historical value of donor-restricted “true” endowment funds which includes (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Also included in net assets with donor restrictions is accumulated appreciation on donor restricted “true” endowment fund that has yet to be appropriated for expenditure by United Way, or, unless deficiencies in the fair value of a fund fall below the level required by United Way to retain as perpetual. In accordance with UPMIFA, United Way considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purposes of the organization and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the organization
- 7) The investment policies of the organization.

Return Objectives and Risk Parameters: The United Way has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that UWCF must hold in perpetuity or for a donor-specified period(s) as well as Board designated funds. Bequests are considered as Board designated or quasi-endowments based upon a Board approved Gift Acceptance Policy.

Strategies Employed for Achieving Objectives: The purpose of the Endowment Fund is to facilitate donors' desires to make substantial long-term gifts to the community and to develop a new and significant source of revenue for UWCF. In so doing, the Endowment Fund will provide a secure, long-term source of funds to potentially: (i) stabilize agency funding during periods of below normal annual campaigns; (ii) fund special grants; (iii) ensure long-term growth; (iv) enhance our ability to meet changing community needs in both the short and long-term; and/or, (v) support the administrative expenses of the United Way as deemed appropriate.

Spending Policy and How the Investment Objectives Relate to Spending Policy: Brokerage Endowment and Quasi-Endowment Accounts were initiated prior to the 2012/13 fiscal year end. In the current year and the prior year, appropriations made were made for program operating costs. Quasi-endowments and endowments held by 3rd party Trustees, are not subject to UPMIFA. Spending Policies will be revised in the future, after an adequate period of time for the longevity of the account and time to research varying spending formula methodologies best suited for our objectives. It is permissible for the Finance/Investment Committee, with Board approval, to determine if the accumulation of a minimum level of asset value is to be reached before spending may be appropriated. Directors may also elect to take no distribution in any given year or to vote to change the use or rate of use of investment income.

(Continued)

UNITED WAY OF CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 15 – ENDOWMENT COMPOSITION (Continued)

Funds with Deficiencies: From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires UWCF to retain as a fund of perpetual duration. UWCF has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. In accordance with GAAP, deficiencies of this nature are reported in net assets without donor restrictions. There were no such deficiencies as of June 30, 2022 and 2021.

Endowment Fund principal, unless otherwise directed by the donor, shall not be disbursed except for emergency situations. In order to make a principal disbursement, the Finance Committee functioning as the Investment Committee would need to make a recommendation for approval to the Board of Directors.

Endowment funds are included in the statement of financial position under the following asset categories:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 234	\$ 159
Beneficial interest in perpetual trusts	125,466	154,291
Beneficial interest in GiveWell	611,917	743,584
Investment securities	<u>2,619,887</u>	<u>3,000,492</u>
Total	<u>\$ 3,357,504</u>	<u>\$ 3,898,526</u>