

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

**FINANCIAL STATEMENTS**  
June 30, 2024 and 2023

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

FINANCIAL STATEMENTS  
June 30, 2024 and 2023

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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, 2024 and 2023, 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, 2024 and 2023, 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.

***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.

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## ***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

Indianapolis, Indiana  
February 17, 2025

UNITED WAY OF CENTRAL FLORIDA, INC.  
STATEMENTS OF FINANCIAL POSITION  
June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
Cash and cash equivalents (Note 3)	\$ 22,145,528	\$ 10,236,162
Investments (Notes 4 and 5)	6,778,615	6,148,373
Accounts receivable, net	650,231	639,662
Pledge receivables (Note 13)	21,816,841	3,072,746
Less allowance for uncollectible	(8,433,000)	(282,000)
Other assets	44,634	854,421
Beneficial interest in assets held by others (Notes 5)	779,339	749,716
Right of use asset (Note 7)	138,664	13,247
Property and equipment (Note 6)	<u>425,518</u>	<u>467,853</u>
	<u>\$ 44,346,370</u>	<u>\$ 21,900,180</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Designations payable (Note 11)	\$ 10,758,672	\$ 503,149
Accounts payable and accrued liabilities	258,889	277,944
Grant advance liability (Note 18)	14,641,952	3,555,490
Lease liability (Note 7)	<u>7,414</u>	<u>13,247</u>
Total liabilities	25,666,927	4,349,830
Net assets		
Without donor restrictions		
Undesignated	6,840,041	6,361,000
Board designated (Note 10)	<u>5,932,329</u>	<u>5,638,632</u>
Total without donor restrictions	12,772,370	11,999,632
With donor restrictions (Notes 8 and 16)	<u>5,907,073</u>	<u>5,550,718</u>
Total net assets	<u>18,679,443</u>	<u>17,550,350</u>
	<u>\$ 44,346,370</u>	<u>\$ 21,900,180</u>

See accompanying notes to financial statements

UNITED WAY OF CENTRAL FLORIDA, INC.  
STATEMENTS OF ACTIVITIES  
Years ended June 30, 2024 and 2023

	2024			2023		
	<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>
<b>Public Support and Revenue</b>						
<b>Current year campaign</b>						
Gross campaign results	\$ 6,421,950	\$ -	\$ 6,421,950	\$ 6,273,838	\$ -	\$ 6,273,838
Gross campaign results in prior year, released from restrictions (Note 9)	60,143	(60,143)	-	42,243	(42,243)	-
Less estimated uncollectible pledges	(265,935)	-	(265,935)	(264,848)	-	(264,848)
Less donor designations	(326,140)	-	(326,140)	(397,499)	-	(397,499)
Net current year campaign revenue	5,890,018	(60,143)	5,829,875	5,653,734	(42,243)	5,611,491
<b>Disaster Relief</b>						
Gross disaster relief results	-	-	-	1,326,305	40,000	1,366,305
Less donor designations	-	-	-	(1,000,000)	-	(1,000,000)
Net Disaster Relief Revenue	-	-	-	326,305	40,000	366,305
<b>Restricted Jenkins and Publix Charities</b>						
Gross Jenkins Family Grant and Publix Charities results:	45,727	589,273	635,000	46,132	558,868	605,000
Less designations to other agencies	-	-	-	(20,000)	-	(20,000)
Net Restricted Jenkins and Publix Charities revenue	45,727	589,273	635,000	26,132	558,868	585,000
<b>Prior Year Campaign</b>						
Gross campaign results	2,487,323	-	2,487,323	3,777,905	-	3,777,905
Recovery of prior year uncollectible pledges	(338,831)	-	(338,831)	(88,161)	-	(88,161)
Less donor designations	(2,887)	-	(2,887)	(16,844)	-	(16,844)
Net prior year campaign revenue	2,145,605	-	2,145,605	3,672,900	-	3,672,900
<b>Future Campaigns</b>						
Campaign revenue	604,154	74,372	678,526	-	60,143	60,143

(Continued)

UNITED WAY OF CENTRAL FLORIDA, INC.  
STATEMENTS OF ACTIVITIES  
Years ended June 30, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Other</b>						
Special events	\$ 59,297	\$ 31,297	\$ 90,594	\$ 60,562	\$ 64,939	\$ 125,501
Changes in beneficial interest in assets held by others	-	29,623	29,623	-	11,735	11,735
Other contributions of cash and other financial assets	42,500	380,241	422,741	86,664	521,574	608,238
Contributions of nonfinancial assets (Note 15)	65,284	-	65,284	607,219	-	607,219
Designations from other United Ways	7,567	-	7,567	4,559	-	4,559
Service fees	275,902	-	275,902	267,088	-	267,088
Grants and contracts	3,642,166	587,640	4,229,806	2,333,999	473,659	2,807,658
Interest income	159,840	82,998	242,838	128,152	49,285	177,437
Net gain on investments	434,709	136,438	571,147	327,808	91,729	419,537
Less investment management fees	(37,472)	(13,790)	(51,262)	(33,135)	(12,577)	(45,712)
Miscellaneous income	59,394	-	59,394	1,994	-	1,994
Net assets released from restrictions (Note 9)	1,481,594	(1,481,594)	-	1,734,691	(1,734,691)	-
Total other	6,190,781	(247,147)	5,943,634	5,519,601	(534,347)	4,985,254
<b>Total revenue</b>	14,876,285	356,355	15,232,640	15,198,672	82,421	15,281,093
<b>Expenses</b>						
Program services:						
Allocations/Awards (Note 12)	9,408,227	-	9,408,227	10,120,587	-	10,120,587
Less donor designations	(329,027)	-	(329,027)	(1,434,343)	-	(1,434,343)
Net funds awarded/distributed	9,079,200	-	9,079,200	8,686,244	-	8,686,244
Other program services	2,378,809	-	2,378,809	2,145,120	-	2,145,120
Support services	2,645,538	-	2,645,538	2,230,063	-	2,230,063
<b>Total expenses</b>	14,103,547	-	14,103,547	13,061,427	-	13,061,427
Changes in net assets	772,738	356,355	1,129,093	2,137,245	82,421	2,219,666
Net assets, beginning of year	11,999,632	5,550,718	17,550,350	9,862,387	5,468,297	15,330,684
Net assets, end of year	<u>\$ 12,772,370</u>	<u>\$ 5,907,073</u>	<u>\$ 18,679,443</u>	<u>\$ 11,999,632</u>	<u>\$ 5,550,718</u>	<u>\$ 17,550,350</u>

See accompanying notes to financial statements

UNITED WAY OF CENTRAL FLORIDA, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
Year ended June 30, 2024

	Program Services									Support Services						2024 Total
	Community Impact	Financial Stability	Disaster Relief	Health Initiative	Success by 6	Master Teacher	Women United - ReadingPals	CJBUW Children's Resource Center	2-1-1	Total Program Services	Campaign, Leadership, WU and Planned Giving	Highlands County Operation	Finance and Administration	Total Support Services	Indirect Cost Pools	
<b>Expenses</b>																
Allocations/awards (Note 12)	\$ 6,776,621	\$ -	\$ -	\$ 2,631,606	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,408,227	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,408,227
Less donor designated	(329,027)	-	-	-	-	-	-	-	-	(329,027)	-	-	-	-	-	(329,027)
Net allocations/ awards	6,447,594	-	-	2,631,606	-	-	-	-	-	9,079,200	-	-	-	-	-	9,079,200
<b>Personnel</b>																
Labor, salaries and wages	276,430	-	7,218	435,286	91,120	103,546	47,304	180,761	69,203	1,210,868	544,309	65,847	769,630	1,379,786	199,974	2,790,628
Payroll taxes	20,931	-	531	32,505	6,915	7,995	3,620	13,697	5,281	91,475	40,871	4,719	57,960	103,550	13,736	208,761
Employee benefits (Note 14)	58,890	-	1,194	68,085	18,273	18,626	9,017	31,683	15,610	221,378	78,053	6,256	135,748	220,057	36,236	477,671
Total personnel expenses	356,251	-	8,943	535,876	116,308	130,167	59,941	226,141	90,094	1,523,721	663,233	76,822	963,338	1,703,393	249,946	3,477,060
<b>Other</b>																
Contract services	13,812	-	13,250	-	-	902	328	-	173,891	202,183	4,001	-	85,856	89,857	-	292,040
Office and program supplies	300	-	-	993	58,999	4,925	13,802	15,806	-	94,825	1,300	1,330	917	3,547	11,554	109,926
Printing	14	-	-	1,951	-	-	535	213	2,544	5,257	35,394	1,833	941	38,168	14,595	58,020
Advertising and promotional items	3,454	-	-	1,800	2,221	-	-	2,622	-	10,097	38,562	2,635	915	42,112	21,671	73,880
Events and miscellaneous marketing	2,256	-	-	5,354	-	-	5,391	1,027	-	14,028	120,095	13,422	4,604	138,121	52,561	204,710
Postage and shipping	-	-	-	113	-	-	-	-	-	113	292	248	-	540	7,310	7,963
Telephone	-	-	-	3,355	-	-	-	-	-	3,355	-	-	-	-	22,797	26,152
Building, maintenance, utilities and taxes	-	-	-	-	-	-	-	61,260	-	61,260	-	22,730	-	22,730	66,304	150,294
Employee business expense	5,436	194	192	19,937	924	5,202	1,402	680	-	33,967	29,853	11,149	20,189	61,191	13,570	108,728

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UNITED WAY OF CENTRAL FLORIDA, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
Year ended June 30, 2024

	Program Services									Support Services						2024 Total
	Community Impact	Financial Stability	Disaster Relief	Health Initiative	Success by 6	Master Teacher	Women United - ReadingPals	CJBUW Children's Resource Center	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	\$ 1,912	\$ -	\$ -	\$ -	\$ 531	\$ 270	\$ -	\$ 4,391	\$ -	\$ 7,103	\$ 10,263	\$ 1,916	\$ 13,334	\$ 25,513	\$ 27,147	\$ 59,763
Temporary help	-	-	-	-	-	-	-	-	-	-	56	-	-	56	239	295
Insurance	-	-	-	-	-	-	-	5,820	-	5,820	-	-	-	-	14,867	20,687
Miscellaneous	-	-	-	8,596	-	-	165	-	-	8,761	6,699	3,271	10,816	20,786	752	30,299
Equipment rental and maintenance	5,225	232	-	-	80	204	1,241	5,273	2,498	14,753	5,715	-	40,182	45,897	150,740	211,390
Membership dues	1,000	-	-	26	-	375	-	254	-	1,655	8,022	250	4,037	12,309	2,433	16,397
Depreciation expense	6,387	-	165	10,021	2,097	2,419	1,092	6,263	1,599	30,043	12,497	1,494	17,789	31,780	-	61,823
United Way of Florida dues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	27,879	27,879
Total other expenses	<u>39,796</u>	<u>426</u>	<u>13,607</u>	<u>52,146</u>	<u>64,852</u>	<u>14,297</u>	<u>23,956</u>	<u>103,609</u>	<u>180,532</u>	<u>493,220</u>	<u>272,749</u>	<u>60,278</u>	<u>199,580</u>	<u>532,607</u>	<u>434,419</u>	<u>1,460,246</u>
Total personnel and other expenses	396,047	426	22,550	588,022	181,160	144,464	83,897	329,750	270,626	2,016,941	935,982	137,100	1,162,918	2,236,000	684,365	4,937,306
United Way Worldwide dues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	87,041	87,041
Cost pool allocations	<u>84,112</u>	<u>-</u>	<u>2,059</u>	<u>128,074</u>	<u>26,705</u>	<u>31,374</u>	<u>14,429</u>	<u>54,220</u>	<u>20,894</u>	<u>361,868</u>	<u>162,063</u>	<u>19,588</u>	<u>227,887</u>	<u>409,538</u>	<u>(771,406)</u>	<u>-</u>
Total expenses	<u>\$ 6,927,753</u>	<u>\$ 426</u>	<u>\$ 24,609</u>	<u>\$ 3,347,702</u>	<u>\$ 207,865</u>	<u>\$ 175,838</u>	<u>\$ 98,326</u>	<u>\$ 383,970</u>	<u>\$ 291,520</u>	<u>\$ 11,458,009</u>	<u>\$ 1,098,045</u>	<u>\$ 156,688</u>	<u>\$ 1,390,805</u>	<u>\$ 2,645,538</u>	<u>\$ -</u>	<u>\$ 14,103,547</u>

See accompanying notes to financial statements

UNITED WAY OF CENTRAL FLORIDA, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
Year ended June 30, 2023

	Program Services								Support Services						2023 Total
	Community Impact	Disaster Relief	Health Initiative	Success by 6	Master Teacher	Women United - ReadingPals	CJBUW Children's Resource Center	2-1-1	Total Program Services	Campaign, Leadership, WU and Planned Giving	Highlands County Operation	Finance and Administration	Total Support Services	Indirect Cost Pools	
<b>Expenses</b>															
Allocations/awards (Note 12)	\$ 6,161,300	\$ 2,314,777	\$ 1,644,510	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,120,587	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,120,587
Less donor designated	(434,343)	(1,000,000)	-	-	-	-	-	-	(1,434,343)	-	-	-	-	-	(1,434,343)
Net allocations/ awards	5,726,957	1,314,777	1,644,510	-	-	-	-	-	8,686,244	-	-	-	-	-	8,686,244
<b>Personnel</b>															
Labor, salaries and wages	256,771	40,605	208,708	86,306	107,909	34,667	154,419	58,940	948,325	456,006	55,305	632,165	1,143,476	139,086	2,230,887
Payroll taxes	19,486	3,058	15,323	6,453	8,116	2,536	14,848	4,340	74,160	34,422	4,159	46,772	85,353	10,407	169,920
Employee benefits (Note 14)	48,534	6,879	27,833	15,604	18,579	6,603	16,438	12,590	153,060	80,317	9,681	106,281	196,279	35,263	384,602
Total personnel expenses	324,791	50,542	251,864	108,363	134,604	43,806	185,705	75,870	1,175,545	570,745	69,145	785,218	1,425,108	184,756	2,785,409
<b>Other</b>															
Contract services	13,779	-	-	-	275	824	-	173,891	188,769	2,000	-	42,016	44,016	256	233,041
Office and program supplies	429	-	1,083	56,223	11,301	9,953	24,176	568	103,733	621	437	2,303	3,361	12,476	119,570
Printing	2,528	271	3,921	49	112	247	4,145	2,612	13,885	51,588	674	635	52,897	13,502	80,284
Advertising and promotional items	77,768	-	1,263	-	-	880	5,875	74,778	160,564	27,813	2,312	-	30,125	27,502	218,191
Events and miscellaneous marketing	549	5,710	32,867	13	26	4,797	6,904	-	50,866	107,255	4,807	2,127	114,189	26,836	191,891
Postage and shipping	28	-	-	-	-	-	134	58	220	266	190	76	532	5,365	6,117
Telephone	-	-	2,095	-	-	-	2,362	-	4,457	-	-	-	-	21,552	26,009
Building, maintenance, utilities and taxes	-	-	-	-	-	-	45,867	-	45,867	-	22,440	311	22,751	67,213	135,831
Employee business expense	4,829	300	8,662	1,928	4,410	910	1,223	-	22,262	28,963	6,951	9,852	45,766	5,240	73,268

(Continued)

UNITED WAY OF CENTRAL FLORIDA, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
Year ended June 30, 2023

	Program Services								Support Services						2023 Total
	Community Impact	Disaster Relief	Health Initiative	Success by 6	Master Teacher	Women United - ReadingPals	CJBUW Children's Resource Center	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	\$ 5,633	\$ -	\$ -	\$ 40	\$ 2,510	\$ -	\$ 1,173	\$ 380	\$ 9,735	\$ 7,494	\$ 1,023	\$ 11,989	\$ 20,506	\$ 28,776	\$ 59,017
Temporary help	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	5,700	-	5,700	-	-	-	-	12,250	17,950
Miscellaneous	171	-	14,089	87	-	-	-	-	14,347	1,988	4,529	20,606	27,123	8,129	49,599
Equipment rental and maintenance	5,004	-	317	190	12	1,218	8,964	4,739	20,444	7,496	2	34,437	41,935	137,596	199,975
Membership dues	75	-	-	110	375	-	679	-	1,239	3,500	354	3,368	7,222	5,562	14,023
Depreciation expense	6,499	1,033	5,150	2,219	2,705	869	2,355	1,486	22,316	11,626	1,387	15,980	28,993	-	51,309
United Way of Florida dues	-	-	-	-	-	-	-	-	-	-	-	-	-	29,837	29,837
Total other expenses	<u>117,292</u>	<u>7,314</u>	<u>69,447</u>	<u>60,859</u>	<u>21,726</u>	<u>19,698</u>	<u>109,557</u>	<u>258,512</u>	<u>664,404</u>	<u>250,610</u>	<u>45,106</u>	<u>143,700</u>	<u>439,416</u>	<u>402,092</u>	<u>1,505,912</u>
Total personnel and other expenses	442,083	57,856	321,311	169,222	156,330	63,504	295,262	334,382	1,839,949	821,355	114,251	928,918	1,864,524	586,848	4,291,321
United Way Worldwide dues	-	-	-	-	-	-	-	-	-	-	-	-	-	83,862	83,862
Cost pool allocations	<u>82,059</u>	<u>12,415</u>	<u>69,707</u>	<u>27,791</u>	<u>33,761</u>	<u>11,118</u>	<u>49,634</u>	<u>18,686</u>	<u>305,171</u>	<u>144,975</u>	<u>17,612</u>	<u>202,952</u>	<u>365,539</u>	<u>(670,710)</u>	<u>-</u>
Total expenses	<u>\$ 6,251,099</u>	<u>\$ 1,385,048</u>	<u>\$ 2,035,528</u>	<u>\$ 197,013</u>	<u>\$ 190,091</u>	<u>\$ 74,622</u>	<u>\$ 344,896</u>	<u>\$ 353,068</u>	<u>\$ 10,831,364</u>	<u>\$ 966,330</u>	<u>\$ 131,863</u>	<u>\$ 1,131,870</u>	<u>\$ 2,230,063</u>	<u>\$ -</u>	<u>\$ 13,061,427</u>

See accompanying notes to financial statements

UNITED WAY OF CENTRAL FLORIDA, INC.  
STATEMENTS OF CASH FLOWS  
Years ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 1,129,093	\$ 2,219,666
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	61,823	51,309
Amortization of right of use asset	33,852	
Beneficial interest in assets held by others	(29,623)	(11,735)
Loss on disposal of property and equipment	998	(5,718)
Net (gain) loss on investments	(571,146)	(419,537)
Contributions to permanent endowments	(10,151)	(10,581)
Change in assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(10,569)	(129,120)
Pledges receivable	(10,593,095)	11,137,702
Other current assets	809,787	(584,151)
Beneficial interest in assets held by others	-	3,715
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	(19,055)	(45,991)
Grant advance liability	11,086,462	3,555,490
Lease liabilities	(5,833)	-
Designations payable	<u>10,255,523</u>	<u>(10,539,172)</u>
Cash from operating activities	<u>12,138,066</u>	<u>5,221,877</u>
<b>Cash flows from investing activities</b>		
Purchases of property and equipment	(179,755)	(100,861)
Proceeds from the sale of property and equipment	-	6,000
Purchases of investments	(182,960)	(135,804)
Proceeds from the sale of investments	<u>123,864</u>	<u>55,100</u>
Cash from investing activities	<u>(238,851)</u>	<u>(175,565)</u>
<b>Cash flows from financing activities</b>		
Contributions to permanent endowments	<u>10,151</u>	<u>10,581</u>
Cash from financing activities	<u>10,151</u>	<u>10,581</u>
Net increase in cash and cash equivalents	11,909,366	5,056,893
Cash and cash equivalents at beginning of year	<u>10,236,162</u>	<u>5,179,269</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 22,145,528</u>	<u>\$ 10,236,162</u>
<b>Supplemental disclosure of cash flow information</b>		
In-kind donations	<u>\$ 65,284</u>	<u>\$ 607,219</u>

See accompanying notes to financial statements

UNITED WAY OF CENTRAL FLORIDA, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024 and 2023

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**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 130 volunteers on 15 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 2020-24 our food distributions were able to provide food to over 1,268,815 visitors in Polk, Highlands, and Hardee Counties. In the first three years of this initiative, 9,629,415 meals were provided to communities in need.

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(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 2019, 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. Crystal Lake Elementary, A Community Partnership School received statewide certification from the UCF Center for Community Partnership Schools in 2023.

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 disasters 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 to provide COVID-19 pandemic response. In the wake of Hurricane Ian in 2022, over \$259,600 was distributed to nonprofits and their clients suffering direct losses as a result of the storm. This fund was not activated during the 2023-24 fiscal year.
- Publix Super Markets Emergency Relief provided \$363,720 to support individuals who have experienced hardships due to various emergencies where other assistance is unavailable. This fund will also be providing Hurricane Helene and Hurricane Milton relief across multiple states in the 2024-25 fiscal year.
- 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 over 56,000 books in the hands of children in FY 23/24. In addition:

- 103 Parent Lending Libraries were in childcare centers serving low-income families; with 22,974 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 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. Success By 6 events and staff provided 6,173 pieces of Born Learning and other literature into our community.
- Dolly Parton Imagination Library mails a book each month to the homes of preschool children. 25,844 books were placed in the homes of 2,500 children ages 0-5.

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**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.

Carol Jenkins Barnett United Way Children's Resource Center (CJBUWCRC), formerly Family Fundamentals, opened in November 2022 in our new location within the Florida Children's Museum at Bonnet Springs Park in Lakeland. As a community and family outreach of Success By 6 - CJBUWCRC is a parent resource center which mobilizes partnerships with more than 40 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 July 1, 2023-June 30, 2024, 211 received 39,565 contacts for services through calls, chats, texts, e-mail inquiries, and database searches. In addition, there were over 93,000 webpage views for end hunger, 211, CJBUWCRC, free tax prep, and other needed community 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 3<sup>rd</sup> 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. In 2023 the program secured 156 volunteers and served 374 students at 15 schools. This year, we have secured 201 ReadingPals volunteers serving 402 children in 14 schools.

Community Wellness: The UWCF Community Wellness initiative is a \$10,160,000 grant in collaboration with the Polk County Indigent Health Care Department. Polk County is on an October 1-September 30 fiscal year. During the 2023-24 Polk County fiscal year the grant provided a \$460,000 administrative fee to UWCF, up to \$500,000 to fund a team of UWCF Community Wellness Navigators, and \$9,200,000 to fund behavioral/mental health and prevention/early intervention programs through an open Request for Proposals (RFP) to 501(c)3 organizations. The navigator program's main purpose is to assist in connecting eligible Polk County residents with the Polk HealthCare Plan and additional community resources.

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(Continued)

UNITED WAY OF CENTRAL FLORIDA, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024 and 2023

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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, 2024 and 2023, UWCF had \$12,772,370 and \$11,999,632, 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, 2024 and 2023, UWCF had \$5,907,073 and \$5,550,718, 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 31<sup>st</sup>, 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.

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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.

As of June 30, 2024 and 2023, UWCF did not have any conditional promises to give.

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, 2024 and 2023 was \$779,339 and \$749,716, 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, 2024 and 2023 was \$721, less present value discounts of \$122.

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.

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(Continued)

UNITED WAY OF CENTRAL FLORIDA, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024 and 2023

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**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

Leases: UWCF enters into operating leases primarily for phone and postage franking equipment and determines if the arrangement is a lease at inception of the contract. For lease agreements entered into or reassessed after the adoption of ASC 842 and with terms greater than 12 months, UWCF records the related right-of-use assets (ROU) and lease liability at the present value of lease payments over the contract term using the risk-free interest rate, subject to certain adjustments. UWCF does separate equipment lease components from phone line and usage costs detailed on billings. Postage franking equipment does not separate lease and non-lease components. Certain leases include the option to renew the lease at the end of the initial term, with renewal terms that can extend the lease at the then market rate of rental payments. Such options are at UWCF's discretion and are evaluated by management, with only those that are reasonably certain of exercise included in determining the appropriate lease term. UWCF currently does not have any Finance leases as of adoption and as of June 30, 2024.

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, 2024 or 2023.

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.

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(Continued)

UNITED WAY OF CENTRAL FLORIDA, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024 and 2023

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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>2024</u>	<u>2023</u>
Campaign, Leadership, WU and Planned Giving	\$ 1,098,045	\$ 966,330
Highlands County Operation	<u>156,688</u>	<u>131,863</u>
Total Fundraising Expenses	1,254,733	1,098,193
Finance and Administration	<u>1,390,805</u>	<u>1,131,870</u>
Total Support Services Expenses	<u>\$ 2,645,538</u>	<u>\$ 2,230,063</u>

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 2023 financial statements, to conform to the 2024 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 June 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-13, Financial Instruments-Credit Losses Topic 326 (“Topic 326”), which requires entities to measure all expected credit losses for financial instruments held at the reporting date. UWCF adopted this standard effective July 1, 2023. The new expected loss measurement model, known as the current expected credit loss (“CECL”) model, is based on expected losses rather than incurred losses. Topic 326 is applicable to financial assets measured at amortized cost, such as accounts receivable. It requires historical loss data to be adjusted to reflect changes in asset-specific considerations, current conditions, and reasonable and supportable forecasts of future economic conditions. The expected credit losses are adjusted each financial reporting period for changes in expected lifetime credit losses.

UWCF adopted Topic 326 using a modified retrospective transition approach, which involves recognizing the cumulative effect of the initial adoption of Topic 326 as an adjustment to its opening net assets at July 1, 2023. Therefore, comparative information prior to the adoption date has not been adjusted. As a result of adoption of Topic 326, UWCF did not recognize an incremental allowance for credit losses on its accounts receivable for the year ended June 30, 2024. The adoption of this standard did not have a significant impact on UWCF’s financial statements.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to June 30, 2024 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended June 30, 2024. Management has performed their analysis through February 17, 2025, the date the financial statements were available to be issued.

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(Continued)

UNITED WAY OF CENTRAL FLORIDA, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024 and 2023

**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>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 22,145,528	\$ 10,236,162
Investments	6,778,615	6,148,373
Accounts receivable, net	650,231	639,662
Pledges receivable, net	2,887,945	2,550,682
Beneficial interest	<u>779,339</u>	<u>749,716</u>
Total financial assets available within one year	33,241,658	20,324,595
Less:		
Amounts unavailable for general expenditures within one year due to:		
Restricted by donors by contractual obligation	(10,609,555)	-
Restricted by donors with purpose restrictions	(1,979,146)	(1,650,166)
Restricted by donors in perpetuity	<u>(1,262,668)</u>	<u>(1,215,895)</u>
Total amounts unavailable for general expenditures within one year	(13,851,369)	(2,866,061)
Amounts unavailable to management without Board's approval:		
Board designated for quasi-endowment	<u>(1,969,113)</u>	<u>(1,925,328)</u>
Total financial assets available to management for general expenditure within one year	<u>\$ 17,421,176</u>	<u>\$ 15,533,206</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 \$2,597,021 and \$2,593,760 as of June 30, 2024 and 2023, 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, 2024 and 2023, respectively, the Investment balance for Unrestricted Reserves was \$3,726,795 and \$3,338,416.

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, 2024, includes \$773,905 unrestricted, and \$1,195,208, restricted for Highlands County. The amount listed Unavailable 'Board Designated for Quasi-Endowment' as of June 30, 2023, includes \$689,516 unrestricted, and \$1,235,812, restricted for Highlands County. Draws for a total of \$142,000 and \$53,684 from the restricted endowment have been budgeted and are considered available for use as of June 30, 2024 and June 30, 2023. 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, 2024 and 2023

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**NOTE 2 – LIQUIDITY AND AVAILABILITY (Continued)**

As of June 30, 2024 and 2023, respectively, other restricted endowments are unavailable.

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, 2024 and 2023.

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 2024-2025 or fiscal year 2023-2024, 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>2024</u>	<u>2023</u>
Cash on hand	\$ 250	\$ 250
Checking accounts	<u>22,145,278</u>	<u>10,235,912</u>
	<u>\$ 22,145,528</u>	<u>\$ 10,236,162</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, 2023 and 2022 are summarized as follows:

	<u>2024</u>	<u>2023</u>
Mutual and exchange traded funds	<u>\$ 6,778,615</u>	<u>\$ 6,148,373</u>

**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.

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**NOTE 5 – FAIR VALUE OF FINANCIAL INSTRUMENTS** (Continued)

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).

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UNITED WAY OF CENTRAL FLORIDA, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024 and 2023

**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, 2024:

	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	\$ 695,825	\$ -	\$ -	\$ 695,825
Equity Mutual Funds	6,082,790	-	-	6,082,790
Beneficial Interest in Assets Held by Others	-	-	779,339	779,339
	<u>\$ 6,778,615</u>	<u>\$ -</u>	<u>\$ 779,339</u>	<u>\$ 7,557,954</u>

Asset composition as of June 30, 2023:

	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	\$ 688,737	\$ -	\$ -	\$ 688,737
Equity Mutual Funds	5,459,636	-	-	5,459,636
Beneficial Interest in Assets Held by Others	-	-	749,716	749,716
	<u>\$ 6,148,373</u>	<u>\$ -</u>	<u>\$ 749,716</u>	<u>\$ 6,898,089</u>

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UNITED WAY OF CENTRAL FLORIDA, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024 and 2023

**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, 2024 and 2023, 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, 2023	\$ 622,485	\$ 126,632	\$ 599	\$ 749,716
Total gains or losses - realized/unrealized included in changes in net assets	54,206	5,500	-	59,706
Interest and dividend income	16,893	6,750	-	23,643
Investment fees	(8,597)	-	-	(8,597)
Disbursed	<u>(38,379)</u>	<u>(6,750)</u>	<u>-</u>	<u>(45,129)</u>
Ending balance at June 30, 2024	<u>\$ 646,608</u>	<u>\$ 132,132</u>	<u>\$ 599</u>	<u>\$ 779,339</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, 2022	\$ 611,917	\$ 125,466	\$ 4,313	\$ 741,696
Total gains or losses - realized/unrealized included in changes in net assets	43,743	1,166	-	44,909
Interest and dividend income	12,054	6,750	-	18,804
Investment fees	(8,639)	-	-	(8,639)
Disbursed	<u>(36,590)</u>	<u>(6,750)</u>	<u>(3,714)</u>	<u>(47,054)</u>
Ending balance at June 30, 2023	<u>\$ 622,485</u>	<u>\$ 126,632</u>	<u>\$ 599</u>	<u>\$ 749,716</u>

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, 2024 and 2023, respectively, and relate to Level 3 assets that are still held at June 30, 2024 and 2023.

(Continued)



UNITED WAY OF CENTRAL FLORIDA, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024 and 2023

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**NOTE 5 – FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)**

The carrying value of UWCF’s financial instruments not remeasured at fair value on a recurring basis approximates their fair value at June 30, 2024 and 2023. Such financial instruments include:

	<u>2024</u>	<u>2023</u>
Financial assets		
Cash and cash equivalents	\$ 22,145,528	\$ 10,236,162
Net accounts and pledge receivable	14,034,072	3,430,408

**NOTE 6 – PROPERTY AND EQUIPMENT**

Major classes of property and equipment consist of:

	<u>2024</u>	<u>2023</u>
Land	\$ 100,000	\$ 100,000
Buildings and improvements	1,067,980	1,075,302
Furniture, fixtures and equipment	427,144	416,752
Automobiles	<u>39,816</u>	<u>39,816</u>
	1,634,940	1,631,870
Less accumulated depreciation	<u>1,209,422</u>	<u>1,164,017</u>
	<u>\$ 425,518</u>	<u>\$ 467,853</u>

Depreciation expense for the years ended June 30, 2024 and 2023 is \$61,823 and \$51,309, respectively.

**NOTE 7 – LEASES**

Operating Leases: UWCF currently leases office space at the Carol Jenkins Barnett United Way Community Resource Center that expires in November 2026, phone equipment that expires in October 2024 as well as a franking machine that expires in August 2026. In the prior year, the leased office space was treated as month-to-month since there was no signed lease agreement and the balance was prepaid. Once the lease was signed, the prepaid asset was reclassified as a right of use asset without a matching lease liability for amounts previously prepaid.

UWCF has recognized a right of use asset of \$138,664, and a lease liability of \$7,414 on the statement of financial position as of June 30, 2024. For UWCF's lease agreements that do not have a readily available implicit rate, the present value of lease payments are determined over the contract term using a risk-free interest rate of return.

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(Continued)

UNITED WAY OF CENTRAL FLORIDA, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024 and 2023

**NOTE 7 – LEASES** (Continued)

Present value of future minimum rental payments by year are as follows:

	<u>Operating</u>
2025	\$ 3,765
2026	3,268
2027	381
	\$ 7,414

The following table summarizes the details for UWCF's operating leases recorded on the statement financial position as of June 30, 2024. UWCF did not have any finance leases recorded as of June 30, 2024.

	<u>Operating</u>	
	<u>2024</u>	<u>2023</u>
Right of use lease assets	\$ 138,664	\$ 13,247
Current portion of lease obligations	\$ 3,765	\$ 5,383
Lease obligation, net of current portion	\$ 3,649	\$ 7,864
Weighted average remaining lease term (months)	28	34
Weighted average discount rate	4.35%	3.18%

Lease payments are recognized as lease expense on a straight-line basis over the lease term. ROU Assets are periodically evaluated for impairment.

The following table is a summary of the components of UWCF's net lease cost, which is included in lease expense, within the statements of activities for the years ended June 30, 2024 and 2023 and the statement of functional expenses for the year ended June 30, 2024.

	<u>Operating</u>	
	<u>2024</u>	<u>2023</u>
Operating lease expense	\$ 30,224	\$ 5,247
Change in present value	3,628	480
Total net lease expense	\$ 33,852	\$ 5,727

During fiscal year ended June 30, 2024, UWCF entered into a new short-term lease to rent office space. Rent expense for office space is within building, maintenance, utilities and taxes on the statement of functional expenses. The rented office space is at The Champion for Children Foundation and is a gift-in-kind to UWCF. The lease is year-to-year and there is no lease agreement, so it is treated as a contribution and not included on the statement of financial position as a ROU asset or lease liability. For the year ended June 30, 2024, UWCF recognized an annual rent expense and in-kind revenue of \$22,730 for the donated space.

During fiscal year ended June 30, 2023, UWCF had one short-term lease to rent office space. Rent expense for office space is within building, maintenance, utilities and taxes on the statement of functional expenses. The rented office space was at South Florida State College and was a gift-in-kind to UWCF. The lease was year-to-year and there was no lease agreement, so it was treated as a contribution and not included on the statement of financial position as a ROU asset or lease liability. For the year ended June 30, 2023, UWCF recognized an annual rent expense and in-kind revenue of \$22,440 for the donated space.

(Continued)

UNITED WAY OF CENTRAL FLORIDA, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024 and 2023

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**NOTE 8 – 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>2024</u>	<u>2023</u>
Time restrictions:		
Campaign	\$ 74,372	\$ 60,143
Trusts	599	599
Endowments	<u>423,938</u>	<u>323,995</u>
Total time restrictions	498,909	384,737
Purpose restrictions:		
Master Teacher	416,650	357,283
Community Impact / Emergency Relief	1,283,078	1,199,831
Highlands Co.	1,337,208	1,294,926
Success By 6	243,100	134,093
Leadership Giving	-	11,551
Women United	124,756	226,241
Reading Pals	10,630	14,546
CJB UW CRC	692,029	666,447
Annual Meeting	<u>2,045</u>	<u>2,168</u>
Total purpose restrictions	<u>4,109,496</u>	<u>3,907,086</u>
Endowments:		
Beneficial interest in assets held by others	778,740	749,117
Other endowment funds	<u>519,928</u>	<u>509,778</u>
Total endowments restrictions	<u>1,298,668</u>	<u>1,258,895</u>
Total net assets with donor restrictions	<u>\$ 5,907,073</u>	<u>\$ 5,550,718</u>

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(Continued)

UNITED WAY OF CENTRAL FLORIDA, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024 and 2023

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**NOTE 9 – 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>2024</u>	<u>2023</u>
Time restrictions:		
Campaign	\$ 60,143	\$ 42,243
Trusts	<u>-</u>	<u>3,714</u>
Total time restrictions	60,143	45,957
Purpose restrictions:		
Master Teacher	140,632	153,622
Success By 6	143,618	122,355
Community Emergency Relief	850,282	1,102,042
CJB UW CRC	252,721	234,218
Leadership Giving	-	29,080
Women United	20,795	25,247
Reading Pals	15,192	21,597
Highlands Co.	58,162	32,816
Loaned Ambassadors	-	10,000
Annual Meeting	<u>192</u>	<u>-</u>
Total purpose restrictions	<u>1,481,594</u>	<u>1,730,977</u>
Total net assets with donor restrictions released from restrictions	<u>\$ 1,541,737</u>	<u>\$ 1,776,934</u>

**NOTE 10 – 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.

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(Continued)

UNITED WAY OF CENTRAL FLORIDA, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024 and 2023

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**NOTE 10 – DESIGNATIONS OF NET ASSETS WITHOUT DONOR RESTRICTIONS** (Continued)

The detail of Board designations at June 30<sup>th</sup>:

	<u>2024</u>	<u>2023</u>
Board designated net assets		
Designated for:		
Allocations	\$ 2,561,403	\$ 2,355,356
Board policy	2,597,021	2,593,760
Endowment per Board policy	<u>773,905</u>	<u>689,516</u>
Total Board designated net assets	<u>\$ 5,932,329</u>	<u>\$ 5,638,632</u>

**NOTE 11 – DESIGNATIONS PAYABLE**

The detail of allocations and designations payable at June 30<sup>th</sup>:

	<u>2024</u>	<u>2023</u>
Designations payable:		
Publix Other United Ways Campaigns	\$ 10,281,636	\$ -
Other designations payable:		
Donor designations to member agencies	143,803	162,104
Other United Ways	276,825	283,621
Donor designations to unaffiliated agencies	<u>56,408</u>	<u>57,424</u>
Total other designations payable	<u>477,036</u>	<u>503,149</u>
Total designations payable	<u>\$ 10,758,672</u>	<u>\$ 503,149</u>

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UNITED WAY OF CENTRAL FLORIDA, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024 and 2023

**NOTE 12 – ALLOCATIONS TO AGENCIES AND OTHER UNITED WAY ORGANIZATIONS**

	<u>2024</u>	<u>2023</u>
Program category		
Polk/Hardee		
Education - Helping Children to Succeed in School - 33 programs		
Education 1- "School Readiness"	\$ 600,106	\$ 580,810
Education 2- "Academic Achievement"	440,556	374,108
Education 3- "Academic Achievement"	348,058	326,730
Education 4- "Academic Achievement"	334,450	301,875
Education 5- "Academic Achievement"	<u>846,392</u>	<u>793,015</u>
Total Education Programs	2,569,562	2,376,538
Income - Housing & Home Life Stability - 15 programs		
Income 1- "Savings/Credit/Job Improvement"	452,156	318,532
Income 2- "Savings/Credit/Job Improvement"	<u>212,898</u>	<u>343,225</u>
Total Income Programs	665,054	661,757
Health - Helping Seniors & Those with		
Disabilities to Maintain Independence - 20 programs		
Health 1- "Health Knowledge/Personal Responsibility"	523,632	492,438
Health 2- "Health Knowledge/Personal Responsibility"	299,507	278,130
Health 3- "Health Knowledge/Personal Responsibility"	<u>338,133</u>	<u>297,656</u>
Total Health Programs	1,161,272	1,068,224
Safety Net - Helping with Crisis - 14 programs		
Safety Net 1- Addressing Community Needs	348,076	291,320
Safety Net 2- Addressing Community Needs	<u>321,526</u>	<u>281,340</u>
Total Safety Net Programs	669,602	572,660
Highlands County Programs (20 Programs)	<u>236,212</u>	<u>235,869</u>
Total Program Allocations	5,301,702	4,915,048
Disaster relief emergency - allocations and assistance	-	2,314,777

(Continued)

UNITED WAY OF CENTRAL FLORIDA, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024 and 2023

**NOTE 12 – ALLOCATIONS TO AGENCIES AND OTHER UNITED WAY ORGANIZATIONS (Continued)**

	<u>2024</u>	<u>2023</u>
Other funding to member agencies:		
Contributor choice	<u>247,262</u>	<u>290,918</u>
Total other funding to member agencies	247,262	290,918
Allocations and designations to others:		
Unaffiliated agencies	111,029	135,485
Contributor choice other United Ways	9,269	8,964
Contributor choice Third Party Processors	16,574	50
Community emergency relief	392,868	127,970
Polk wellness grant	2,631,606	1,644,510
Other grants and contributions	<u>697,917</u>	<u>682,865</u>
Total allocations and designations to others	<u>3,859,263</u>	<u>2,599,844</u>
Total allocations and awards	9,408,227	10,120,587
Less: donor designations	<u>(329,027)</u>	<u>(1,434,343)</u>
Total donor designations	<u>(329,027)</u>	<u>(1,434,343)</u>
Total allocations to agencies and other United Way organizations	<u>\$ 9,079,200</u>	<u>\$ 8,686,244</u>

**NOTE 13 – 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 May 31<sup>st</sup>. This rate is computed based on actual unpaid balances remaining at 16 months past December 31<sup>st</sup> 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 3.8 and 4.2 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 29.4 percent and 29.3 percent for 2024 and 2023, respectively.

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

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UNITED WAY OF CENTRAL FLORIDA, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024 and 2023

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**NOTE 13 – PLEDGE RECEIVABLES (Continued)**

	<u>2024</u>	<u>2023</u>
Pledge Receivables		
Local Campaign	\$ 2,558,558	\$ 2,276,007
Jenkins Family Grants-Local	605,000	555,000
Raised by Others	<u>2,387</u>	<u>1,675</u>
Total Local Pledge receivables	3,165,945	2,832,682
Publix Other United Ways Campaigns	18,415,896	-
Jenkins Family Grants-Other United Ways	235,000	235,000
Others	<u>-</u>	<u>5,064</u>
Total Regional Pledge receivables	<u>18,650,896</u>	<u>240,064</u>
Total Pledge Receivables	<u>\$ 21,816,841</u>	<u>\$ 3,072,746</u>
Less Allowance for Uncollectible		
Local Campaign	\$ (278,000)	\$ (282,000)
Publix Other United Ways Campaigns	<u>(8,155,000)</u>	<u>-</u>
Total Allowance for Uncollectible	<u>\$ (8,433,000)</u>	<u>\$ (282,000)</u>

**NOTE 14 – 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, 2024 and 2023 of \$199,412 and \$167,964, respectively.

**NOTE 15 – 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.

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UNITED WAY OF CENTRAL FLORIDA, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024 and 2023

**NOTE 15 – DONATED GOODS AND SERVICES** (Continued)

Nonfinancial contributions category	Type of Contributions for Beneficiaries	Valuation	2024	2023
Facilities	Event space, program or office space	3rd party estimates using rental rates in like circumstances	\$ 22,730	\$ 22,440
Consulting services	Professional coaching, and staff training	3rd party estimates using billing rates in like circumstances	13,675	11,953
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	22,860	19,116
Media	Billboards, Digital, broadcast, and public service announcements	3rd party estimates using media or PSA rates in like circumstances	5,400	147,400
Other goods	Food and non-food items and supplies	3rd party estimates of wholesale prices of similar products and condition	619	406,310
Total			<u>\$ 65,284</u>	<u>\$ 607,219</u>

**NOTE 16 – 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.

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UNITED WAY OF CENTRAL FLORIDA, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024 and 2023

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**NOTE 16 – ENDOWMENT COMPOSITION** (Continued)

Endowment net asset composition by type of fund as of June 30, 2024:

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 943,866	\$ 943,866
Board-designated funds	773,904	1,337,208	2,111,112
Beneficial interest in perpetual trust	-	132,132	132,132
Beneficial interest in perpetual assets held by GiveWell Community Foundation	<u>-</u>	<u>646,608</u>	<u>646,608</u>
Total funds	<u>\$ 773,904</u>	<u>\$ 3,059,814</u>	<u>\$ 3,833,718</u>

Endowment net asset composition by type of fund as of June 30, 2023:

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 833,773	\$ 833,773
Board-designated funds	689,516	1,289,496	1,979,012
Beneficial interest in perpetual trust	-	126,632	126,632
Beneficial interest in perpetual assets held by GiveWell Community Foundation	<u>-</u>	<u>622,485</u>	<u>622,485</u>
Total funds	<u>\$ 689,516</u>	<u>\$ 2,872,386</u>	<u>\$ 3,561,902</u>

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UNITED WAY OF CENTRAL FLORIDA, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024 and 2023

**NOTE 16 – ENDOWMENT COMPOSITION** (Continued)

Changes in endowment net assets for the year ended June 30, 2024 consist of the following:

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Net assets at beginning of year	\$ 689,516	\$ 2,872,386	\$ 3,561,902
Investment return:			
Investment income, net	54,082	69,208	123,290
Net appreciation (realized and unrealized)	<u>75,435</u>	<u>166,059</u>	<u>241,494</u>
Total investment return	129,517	235,267	364,784
 New gifts	 -	 10,151	 10,151
Release of endowment assets for appropriation	57,990	(57,990)	-
Appropriation	<u>(103,119)</u>	<u>-</u>	<u>(103,119)</u>
 Net assets at end of year	 <u>\$ 773,904</u>	 <u>\$ 3,059,814</u>	 <u>\$ 3,833,718</u>

Changes in endowment net assets for the year ended June 30, 2023 consist of the following:

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Net assets at beginning of year	\$ 625,872	\$ 2,731,632	\$ 3,357,504
Investment return:			
Investment income, net	51,161	36,709	87,870
Net appreciation (realized and unrealized)	<u>55,822</u>	<u>103,464</u>	<u>159,286</u>
Total investment return	106,983	140,173	247,156
 New gifts	 -	 10,581	 10,581
Release of endowment assets for appropriation	10,000	(10,000)	-
Appropriation	<u>(53,339)</u>	<u>-</u>	<u>(53,339)</u>
 Net assets at end of year	 <u>\$ 689,516</u>	 <u>\$ 2,872,386</u>	 <u>\$ 3,561,902</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 3<sup>rd</sup> party Trustee owns and controls the assets.

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**NOTE 16 – 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 3<sup>rd</sup> 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.

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(Continued)

UNITED WAY OF CENTRAL FLORIDA, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2024 and 2023

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**NOTE 16 – 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, 2024 and 2023.

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>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 3,158	\$ 2,828
Beneficial interest in perpetual trusts	132,132	126,632
Beneficial interest in GiveWell	646,608	622,485
Investment securities	<u>3,051,820</u>	<u>2,809,957</u>
Total	<u>\$ 3,833,718</u>	<u>\$ 3,561,902</u>

**NOTE 17 – GRANT ADVANCE TO PARTNER AGENCIES**

UWCF disbursed Polk County Indigent Health Care (IHC) funds for Local Government Behavioral Health and Prevention and Early Intervention services to subcontractor, partner agencies in the amount of \$1,890,719 and \$2,260,957 during fiscal year ended June 30, 2024 and 2023, respectively. As of June 30, 2024 and 2023, \$0 and \$616,447 had not met the conditions of eligibility and thus are recorded as prepaid advances, which are part of Other assets on the statements of financial position.

**NOTE 18 – GRANT ADVANCE LIABILITY**

UWCF received \$13.2 million and \$5.2 million from Polk County Indigent Health Care (IHC) funds for subcontractor, partner RFPs during 2024 and 2023, respectively. As of June 30, 2024 and 2023, \$14,641,952 and \$3,555,490 had not met the conditions of eligibility, which is recorded as part of Accounts payable and accrued liabilities on the statements of financial position.

UWCF also received \$348,656 and \$213,755 from Polk County for UWCF Navigator Services expenses in 2024 and 2023, respectively. As of June 30, 2024 and 2023, \$0 and \$40,000 were refundable advances. UWCF also received \$10,800 and \$15,000 in non-Government funds from United Way Worldwide Ride United in 2024 and 2023, respectively. As of June 30, 2024 and 2023, \$60 and \$3,635 had not met the conditions of eligibility.

The total of all Grant Advance Liabilities not meeting eligibility as of June 30, 2024 and 2023, was \$14,642,012 and \$3,599,125, respectively.

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