

# **FINANCIAL STATEMENTS**

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

**JUNE 30, 2023**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
United Way of West Florida, Inc.  
Pensacola, Florida

**Report of the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of United Way of West Florida, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of West Florida, Inc. as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of West Florida, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of West Florida, Inc.'s ability to continue as a going concern within one year after the date that 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of United Way of West Florida, Inc.'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 United Way of West Florida, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Report on Summarized Comparative Information**

We have previously audited the United Way of West Florida, Inc.'s 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 16, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of state earnings and schedule of program/cost center actual expenses and revenues are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated July 2, 2024, on our consideration of United Way of West Florida, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of United Way of West Florida, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering United Way of West Florida, Inc.'s internal control over financial reporting and compliance.

Pensacola, Florida  
July 2, 2024

*Brown Thornton Account & Company, P.A.*

# STATEMENT OF FINANCIAL POSITION

## UNITED WAY OF WEST FLORIDA, INC.

June 30, 2023  
(with comparative totals for 2022)

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<u>ASSETS</u>		
	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 1,648,397	\$ 560,822
Pledges receivables, net	181,530	629,609
Grants receivable	311,158	267,568
Employee retention credit receivable	102,916	102,916
Prepaid expenses and other	33,552	78,044
Investments	1,109,816	1,053,159
Right-of-use operating asset	2,735	-
Property and equipment, net	821,059	395,272
Deposits	<u>1,700</u>	<u>-</u>
Total assets	<u>\$ 4,212,863</u>	<u>\$ 3,087,390</u>
 <u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES		
Due to designated agencies	\$ 141,343	\$ 68,102
Due to provider	37,681	-
Allocations payable	469,465	483,478
Custodial funds payable	10,641	67,763
Accounts payable	15,383	12,104
Accrued expenses	73,734	44,042
Deferred revenue	15,470	111,976
Operating lease liability	<u>2,735</u>	<u>-</u>
Total liabilities	<u>766,452</u>	<u>787,465</u>
NET ASSETS		
Without donor restrictions	2,860,049	1,713,203
With donor restrictions	<u>586,362</u>	<u>586,722</u>
Total net assets	<u>3,446,411</u>	<u>2,299,925</u>
Total liabilities and net assets	<u>\$ 4,212,863</u>	<u>\$ 3,087,390</u>

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

**STATEMENT OF ACTIVITIES**  
**UNITED WAY OF WEST FLORIDA, INC.**

**Year Ended June 30, 2023**  
**(with comparative totals for 2022)**

	2023			2022
	Net Assets Without Restriction	Net Assets With Donor Restriction	Total	Total
Public support and revenue				
Gross campaign results	\$ 983,244	\$ 143,259	\$ 1,126,503	\$ 1,396,385
Less donor designations	(150,258)	-	(150,258)	(154,730)
Less provision for uncollectibles	(87,412)	-	(87,412)	(74,534)
Net campaign results	745,574	143,259	888,833	1,167,121
In-kind contributions - noncash	170,434	-	170,434	149,567
Contributions from outside service area	3,438	-	3,438	12,952
Investment return	63,072	-	63,072	(127,699)
Grant revenues	1,398,163	-	1,398,163	745,255
Contracts and program revenues	170,357	75,661	246,018	251,932
Gain on disposal of fixed assets	1,363,917	-	1,363,917	-
Other income	28,866	-	28,866	7,913
	3,943,821	218,920	4,162,741	2,207,041
Net assets released from restrictions				
Satisfaction of time and purpose	219,280	(219,280)	-	-
Total public support and revenues	4,163,101	(360)	4,162,741	2,207,041
Expenses				
Program services:				
Gross funds awarded/distributed	697,649	-	697,649	935,841
Less donor designations	(150,258)	-	(150,258)	(154,730)
Net funds awarded/distributed	547,391	-	547,391	781,111
Allocation expenses	79,410	-	79,410	53,591
Information and referral	1,415,592	-	1,415,592	735,727
Impact initiatives	126,825	-	126,825	205,174
Volunteer services	80,986	-	80,986	104,887
Total program services	2,250,204	-	2,250,204	1,880,490
Support services				
Fundraising	231,671	-	231,671	291,771
Organizational administration	503,745	-	503,745	423,841
Total supporting services	735,416	-	735,416	715,612
Payments to UW National	30,635	-	30,635	39,695
Total expenses	3,016,255	-	3,016,255	2,635,797
Change in net assets	1,146,846	(360)	1,146,486	(428,756)
Net assets, beginning of year	1,713,203	586,722	2,299,925	2,728,681
Net assets, end of year	\$ 2,860,049	\$ 586,362	\$ 3,446,411	\$ 2,299,925

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

# STATEMENT OF FUNCTIONAL EXPENSES

## UNITED WAY OF WEST FLORIDA, INC.

Year Ended June 30, 2023  
(with comparative totals for 2022)

	Program Services					Supporting Services				2023	2022
	Gross Funds Awarded/ Distributed	Allocation Services	Impact Initiatives	Information and Referral	Volunteer Services	Total Program Services	Fundraising	Organizational Administration	Total Supporting Services	Total Expenses	Total Expenses
Expenses											
Gross funds awarded/distributed	\$ 697,649	\$ -	\$ -	\$ -	\$ -	\$ 697,649	\$ -	\$ -	\$ -	\$ 697,649	\$ 935,841
Less donor designations	(150,258)	-	-	-	-	(150,258)	-	-	-	(150,258)	(154,730)
Net funds awarded/distributed	547,391	-	-	-	-	547,391	-	-	-	547,391	781,111
Depreciation	-	715	1,939	17,518	1,141	21,313	4,113	4,382	8,495	29,808	34,796
Dues and subscriptions	-	255	711	6,739	490	8,195	1,487	4,532	6,019	14,214	11,154
Interest	-	-	-	-	-	-	-	269	269	269	422
Maintenance and repairs	-	11,788	15,820	57,671	7,660	92,939	18,238	14,000	32,238	125,177	102,588
Occupancy	-	2,275	6,163	55,705	3,632	67,775	13,080	13,933	27,013	94,788	90,889
Other	-	992	7,160	19,914	3,228	31,294	5,532	14,590	20,122	51,416	10,866
Operating lease	-	-	-	-	-	-	-	1,320	1,320	1,320	-
Personnel expenses	-	61,694	61,637	994,028	57,733	1,175,092	167,533	381,726	549,259	1,724,351	1,242,660
Postage	-	12	25	262	71	370	263	730	993	1,363	2,334
Printing and promotion	-	36	5,425	182,216	1,332	189,009	14,155	7,396	21,551	210,560	134,072
Professional services	-	971	24,126	35,502	3,336	63,935	3,017	50,770	53,787	117,722	101,203
Staff development	-	425	2,337	19,342	1,701	23,805	2,082	5,616	7,698	31,503	31,059
Supplies	-	33	554	10,813	320	11,720	940	3,170	4,110	15,830	2,827
Telephone	-	214	928	15,882	342	17,366	1,231	1,311	2,542	19,908	50,121
Total expenses, net of national dues	\$ 547,391	\$ 79,410	\$ 126,825	\$ 1,415,592	\$ 80,986	\$ 2,250,204	\$ 231,671	\$ 503,745	\$ 735,416	2,985,620	2,596,102
Payments to UW National										30,635	39,695
Total expenses										\$ 3,016,255	\$ 2,635,797

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



**STATEMENT OF CASH FLOWS**  
**UNITED WAY OF WEST FLORIDA, INC.**

**Year Ended June 30, 2023**  
**(with comparative totals for 2022)**

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,146,486	\$ (428,756)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	29,808	34,796
(Gain) loss on disposal of property	(1,363,917)	-
Realized (gain) loss on sale of securities	10,246	(46,122)
Unrealized (gain) loss on investments	(52,637)	184,957
Change in assets and liabilities		
Decrease (increase) in operating assets:		
Pledges receivable-net	448,079	(40,247)
Grants receivable	(43,590)	(21,927)
Operating lease right-of-use asset	(2,735)	-
Prepaid expenses	44,492	(99,641)
Deposits	(1,700)	-
Increase (decrease) in operating liabilities:		
Due to designated agencies	73,241	25,155
Allocations payable	23,668	(216,522)
Custodial funds payable	(57,122)	36,580
Accounts payable	3,279	(13,951)
Operating lease liability	2,735	-
Accrued expenses	29,692	68
Deferred revenue	(96,506)	35,473
Net cash provided (used) by operating activities	<u>193,519</u>	<u>(550,137)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds on sale of securities	89,511	232,166
Purchases of investments	(103,777)	(243,290)
Acquisition of equipment	(784,307)	(46,829)
Proceeds on sale of property	<u>1,692,629</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>894,056</u>	<u>(57,953)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net cash used by financing activities	<u>-</u>	<u>-</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>1,087,575</b>	<b>(608,090)</b>
Cash and equivalents, beginning of year	<u>560,822</u>	<u>1,168,912</u>
Cash and equivalents, end of year	<u><u>\$ 1,648,397</u></u>	<u><u>\$ 560,822</u></u>

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

**NOTES TO FINANCIAL STATEMENTS**  
**UNITED WAY OF WEST FLORIDA, INC.**

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**NOTE A - ORGANIZATION**

United Way of West Florida, Inc. (the Organization) began as Greater Pensacola United Fund, Inc., in 1944, and as United Way of Escambia County, Inc., through May 28, 2019. The Organization increased its service area to include its neighboring county in 2019. A local volunteer Board of Directors governs the Organization. The mission of the Organization is uniting our community and leveraging resources to improve lives.

The Organization works with community partners, including a network of partner agencies, businesses, schools, governments, and other funding sources to raise funds through an annual campaign to raise support for participating agencies.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

1. Financial Statement Presentation - The Organization reports information regarding its financial position and activities according to two classes of net assets.

Net Assets Without Donor Restrictions - not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions - subject to donor-imposed stipulations.

Net assets are classified based on externally imposed restrictions, if any, that may or may not be met by actions of management or by the passage of time.

2. Basis of Accounting - The Organization prepares its financial statements on the accrual basis of accounting, following accounting principles generally accepted in the United States of America for nonprofit organizations.
3. Cash and Cash Equivalents - For the purposes of the statements of cash flows, the Organization considers investments in highly liquid debt instruments with original maturities of three months or less to be cash equivalents. The Organization does not include cash held within its separate investment accounts (see note D) as cash and equivalents.
4. Contributions - The Organization records contributions as with or without restrictions, depending on the existence and/or nature of any donor restrictions. Donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without restrictions and are reported as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same fiscal year are reported as net assets without restrictions.

**NOTES TO FINANCIAL STATEMENTS**  
**UNITED WAY OF WEST FLORIDA, INC.**

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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

5. Pledges Receivable - Pledges receivable are unconditional promises to give. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Conditional promises to give are not included as support until such time as the conditions are substantially met. There were no conditional promises made to the Organization during the year ended June 30, 2023. An allowance for uncollectible pledges receivable is provided based on management's estimate using prior collection history and current economic conditions.
6. Grant Receivable - Grants receivable represents amounts receivable from grantor agencies for allowable expenses incurred on or before the end of the year. Management believes all expenses are allowable under the grant requirements and are fully collectible. As such, no allowance for doubtful accounts is considered necessary.
7. Investments - Investments are stated at fair value. Donated investments are recorded at fair value at the date of the gift.
8. Property and Equipment - Property and equipment are carried at cost or, if donated, at fair market value on date of gift. The Organization capitalizes asset acquisitions over \$5,000. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets as follows:
- |                            |               |
|----------------------------|---------------|
| Buildings and improvements | 15 - 39 years |
| Furniture and fixtures     | 5 - 10 years  |
| Equipment                  | 5 - 7 years   |
9. Program Revenue - Revenue related to exchange transactions is recognized as goods and/or services are provided and is based on the amount expected to be received in exchange for those goods and/or services. The Organization recognizes client service revenue in the period in which performance obligations under its contracts are satisfied by transferring services to clients. The Organization measures the performance obligation on the date the services are provided to clients and third-party payers are sent.
10. Impairment of Long-Lived Assets - Management reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recovered. If such assets are considered impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair market value of the assets. As of June 30, 2023, none of the Organization's long-lived assets were considered to be impaired.

**NOTES TO FINANCIAL STATEMENTS**  
**UNITED WAY OF WEST FLORIDA, INC.**

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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

11. Due to Designated Agencies - Donors contributing to the Organization may choose to designate that all or part of their contributions be distributed to specific agencies. These transactions are reported in the statement of activities as part of the Organization's campaign results and are then deducted to arrive at the net campaign revenue. Amounts deducted are carried as liabilities, net of an estimated allowance for uncollectible amounts, until paid to the designated agencies.
12. Donated Services and Materials - During the year ended June 30, 2023, 993 individuals volunteered from employers or local workplaces and unaffiliated volunteers participating in various volunteer activities, including but not limited to: Day of Caring, Stuff the Bus, Communities Caring at Christmas, Miracle on Palafox, the United Way Community Investment Process, and the United Way Ambassador Program. No value has been recognized for these volunteer hours in the financial statements, because the criteria established by the Financial Accounting Standards Board (FASB) for recognition of such volunteer efforts have not been satisfied.

Nonfinancial assets are reported on a separate line item in the statement of activities, apart from contributions of cash or other financial assets.

Donated services including media space (television and radio airtime and newspaper print space) are recorded if the services received created or enhanced long-lived assets, or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Donated materials and supplies are recorded at fair value at the date of donation.

13. Grants - The Organization records grant revenue over the period of the award and the performance obligations outlined by the grant provisions determine the timing of the revenue recognition. The transaction price is determined by provider agreement based on services to be rented. The unearned portion is recorded as deferred grant revenue on the statement of financial position. Deferred grant revenue totaled \$15,470 at June 30, 2023.

## NOTES TO FINANCIAL STATEMENTS

### UNITED WAY OF WEST FLORIDA, INC.

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#### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. Sublease Rental Income - Sublease rental income is recognized on a straight-line basis based on the aggregate minimum rental payments outlined in the lease agreements over the applicable lease terms as per ASU 2016-02, Leases, which was adopted during the year ended June 30, 2023.
15. Allocation of Functional Expenses - The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been estimated and allocated among the programs and supporting services benefited based on management's judgement and other nonfinancial measures, trends, and time spent by function.
16. Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
17. Income Taxes - United Way of West Florida, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal or state income taxes has been recognized. The Organization annually files federal information returns (Form 990), which are subject to possible examination by the taxing authorities until the expiration of the related statute of limitations, which is generally three years, for the years ended June 30, 2021 through 2023.

Management believes it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements and no returns are currently under examination.

18. Comparative Financial Information - The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

Certain accounts and activities in the prior year information have been reclassified to conform to the presentation in the current year financial statements.

**NOTES TO FINANCIAL STATEMENTS**  
**UNITED WAY OF WEST FLORIDA, INC.**

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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

19. Recent Financial Accounting Pronouncements - During the year ended June 30, 2023, the Organization adopted ASU 2016-02, Leases which requires lessees to recognize on the statement of financial position the assets and liabilities for the rights and obligations created by leases with lease terms of more than twelve months. The Organization reflected the impact of initially adopting ASC 842 as of the beginning of the year of adoption; therefore, prior comparative totals have not been adjusted and continue to be reported in accordance with the previous accounting guidance in ASC 840. The adoption of ASC 842 had a material impact on the statement of financial position but did not have a significant impact on the statement of activities and statement of cash flows. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee will continue to primarily depend on its classification as a finance or operating lease. The Organization recorded a “right-of-use” operating assets and operating lease liability. The Organization used the modified retrospective approach. There was no change in net assets from the adoption. The lease asset and liability as of June 30, 2023 is presented on the Statements of Financial Position.
20. Events Occurring After the Reporting Date - The Organization has evaluated events and transactions that occurred between June 30, 2023 and July 2, 2024, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

**NOTE C - PLEDGES RECEIVABLE**

Pledges receivable and changes in the allowance for uncollectible amounts during the year ended June 30, 2023, are summarized as follows:

Pledges receivable	\$ 369,598
Allowance for uncollectible pledges:	
Balance - beginning of year	110,446
Add provision for uncollectible pledges	115,268
Deduct write-off of net uncollectible pledges and amounts received from prior campaigns	<u>(37,646)</u>
Balance - end of year	<u>188,068</u>
Pledges receivable - net	<u><u>\$ 181,530</u></u>

**NOTES TO FINANCIAL STATEMENTS**  
**UNITED WAY OF WEST FLORIDA, INC.**

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**NOTE C - PLEDGES RECEIVABLE (Continued)**

No discount has been applied to the pledge receivable balance at June 30, 2023, as all pledges are collectible within one year.

**NOTE D - INVESTMENTS**

The Fair Value Measurements (FASB Accounting Standards Codification 820-10) provides a framework for measuring fair value under generally accepted accounting principles. Fair Value Measurements establishes a fair value. This hierarchy consists of three broad levels; Level 1 consists of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 consists of observable inputs other than quoted prices for identical assets; and Level 3 consists of significant unobservable inputs and have the lowest priority. The Organization measures fair value using Level 1 inputs; there were no Level 2 or Level 3 inputs at June 30, 2023.

Fair value of assets measured on a recurring basis at June 30, 2023, are as follows:

	<u>Fair Value</u>	<u>Level 1</u>
Mutual funds - equity	\$ 511,423	\$ 511,423
Mutual funds - fixed income	<u>300,403</u>	<u>300,403</u>
	<u>\$ 811,826</u>	<u>\$ 811,826</u>

Cost, fair value and unrealized gains from acquisition until June 30, 2023, for assets held as investments are summarized as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gains</u>
Cash	\$ 297,990	\$ 297,990	\$ -
Mutual funds - equity	375,803	511,423	135,620
Mutual funds - fixed income	<u>339,166</u>	<u>300,403</u>	<u>(38,763)</u>
	<u>\$ 1,012,959</u>	<u>\$ 1,109,816</u>	<u>\$ 96,857</u>

Cash in the money market account for the year ended June 30, 2023, is \$250,058.

**NOTES TO FINANCIAL STATEMENTS**  
**UNITED WAY OF WEST FLORIDA, INC.**

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**NOTE D - INVESTMENTS (Continued)**

Investment return for the year ended June 30, 2023, is summarized as follows:

Dividends and interest	\$ 20,681
Realized loss on sales of securities	(10,246)
Less investment expense	<u>(6,014)</u>
	4,421
Unrealized gains on investments	<u>58,651</u>
	63,072
Investment return	<u><u>\$ 63,072</u></u>

Investments at June 30, 2023, were included in the following net assets accounts:

Without restrictions	\$ 742,890
With restrictions	<u>366,926</u>
	<u><u>\$ 1,109,816</u></u>

**NOTE E - PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following as of June 30, 2023:

Land	\$ 15,000
Building improvements	758,224
Furniture and fixtures	56,923
Furniture and equipment	<u>160,141</u>
	990,288
Less accumulated depreciation	<u>(169,229)</u>
Property and equipment - net	<u><u>\$ 821,059</u></u>

Depreciation expense totaled \$29,808 for the year ended June 30, 2023.

In March 2023, the Organization sold a building located in Pensacola, Florida for \$1,795,000 resulting in a gain of \$1,363,917. During the year, the Organization purchased a building in Pensacola, Florida for \$773,224.



**NOTES TO FINANCIAL STATEMENTS**  
**UNITED WAY OF WEST FLORIDA, INC.**

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**NOTE F - DESIGNATIONS AND ALLOCATIONS PAYABLE**

Due to designated agencies, allocations payable and custodial funds payable at June 30, 2023 represent either designations by donors or allocations payable as determined by the Organization. These amounts are all due and payable within one year.

**NOTE G - OPERATING LEASE**

The Organization recognizes ROU assets and lease liabilities for leases with terms greater than 12 months or for leases that contain a purchase option that is reasonably certain to be exercised. The Organization used one or more practical expedients, including short-term leases with terms twelve months or less to remain off the Organization's Statement of Financial Position. Leases are classified as either finance or operating leases. This classification dictates whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease.

The Organization maintains an operating lease agreement for office equipment. Obligations under operating leases are recorded in the statement of activities. The monthly operating lease payments are \$110 per month through August 1, 2025.

During 2023, the Organization adopted ASU 2016-02 which resulted in the recognition of operating right-of-use assets as of June 30, 2023, totaling \$2,735 and operating lease liabilities totaling \$2,735.

The Organization also entered into a month-to-month lease rental agreement during March to June 2023. Total space rental expenses as of June 30, 2023, are \$37,600.

The following summarizes the line items in the statements of financial position which include amounts for operating leases as of June 30, 2023:

Right-of-use operating assets:	
Right-of-use operating assets	\$ <u>2,735</u>
 Operating lease current liabilities	 \$ 1,232
Operating lease long-term liabilities	<u>1,503</u>
 Total operating lease liabilities	 \$ <u>2,735</u>

**NOTES TO FINANCIAL STATEMENTS**  
**UNITED WAY OF WEST FLORIDA, INC.**

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**NOTE G - OPERATING LEASE (Continued)**

The weighted average remaining lease term, weighted average discount rate, and related information as of June 30, 2023 are as follows:

	<u>Operating Leases</u>
Weighted-average remaining lease term	60
Weighted-average discount rate	4.10%
Average monthly payment	\$ 110
Average number of payments remaining	60
Average discount rate	4.10%
Total right to use lease asset	\$ 2,735
Total right to use lease liability	\$ 2,735
Total cash paid	\$ 1,183

At June 30, 2023 the Organization was obligated for minimum office equipment rental payments under operating leases having remaining terms in excess of one year for each of the next five years and in the aggregate as follows:

Year Ending <u>June 30,</u>	<u>Operating</u>
2024	\$ 1,320
2025	1,320
2026	220
2027	-
2028	-
Thereafter	-
Total undiscounted cash flows	2,860
Less: present value discount	<u>(125)</u>
Total lease liabilities	<u><u>\$ 2,735</u></u>

**NOTES TO FINANCIAL STATEMENTS**  
**UNITED WAY OF WEST FLORIDA, INC.**

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**NOTE H - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted at June 30, 2023 for the following purposes or periods:

Subject to expenditure for specified purpose:	
Grants, fiscal agent funds, and other initiatives	\$ 143,259
Achieve Escambia	73,927
Time	<u>2,250</u>
Total subject to expenditure for specified purpose	219,436
Endowment subject to Organization's spending policy and appropriation:	
Endowment funds (see Note I)	<u>366,926</u>
	<u>\$ 586,362</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified as follows:

Campaign pledges, other gifts	\$ 143,259
Annual Meeting, Miracle on Palafox,	
Stuff the Bus and Day of Caring	<u>76,021</u>
	<u>\$ 219,280</u>

**NOTE I - ENDOWMENT FUNDS**

Contributions to the endowment fund are subject to donor restrictions that stipulate the original principal of the gift is to be held in perpetuity with the income therefrom available as a contribution to the campaign each year. Income includes market value changes (unrealized and realized) and interest and dividends. The income therefrom is considered as an increase in net assets without restrictions since the Organization deems the restriction as met in the same reporting period. Any market declines below the original contributions are shown as a reduction in net assets without restrictions.

The Organization has adopted investment and spending policies for endowment assets that attempt to provide campaign contributions for the United Way of West Florida, Inc. Under these policies, as approved by the Board of Directors, endowment assets are invested in a manner that is intended to produce long-term growth of capital without undue exposure to risk.

**NOTES TO FINANCIAL STATEMENTS**  
**UNITED WAY OF WEST FLORIDA, INC.**

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**NOTE I - ENDOWMENT FUNDS (Continued)**

The composition and changes in endowment funds for the year ended June 30, 2023, are as follows:

Endowments:	
Endowment net assets, beginning of year	\$ 366,926
Investment income	9,347
Net unrealized and realized gains	16,263
Investment expenses	2,718
Amounts appropriated	<u>(28,328)</u>
Endowment net assets, end of year	<u>\$ 366,926</u>

**NOTE J - CONTRIBUTIONS NONCASH**

In-kind gifts include contributions of property and services and expensed as follows for the year ended June 30, 2023:

Printing, media advertising and promotion - information and referral	\$ 146,225
Donated goods for events	22,434
Operating supplies and expenses	<u>1,775</u>
	<u>\$ 170,434</u>

**NOTE K - SUBLEASE RENTAL INCOME**

The Organization has a month-to-month lease agreement for property in Escambia County requiring monthly rental payments of \$9,400. Total rental payment for the year ended June 30, 2023, is \$37,600. The sublease agreement disclosed below originates from this month-to-month lease agreement.

The Organization entered into a sublease agreement in March 2023 for a with First Baptist Church of Pensacola Inc. The Organization is sub leasing and renting out a portion of its office space from the above lease agreement. The lease commenced March 1, 2023, and expired on the final day the Organization occupies the premises and to not exceed October 31, 2023. The subtenant is leasing approximately half of the total square feet for \$4,700 due monthly. Total rental income for the year ended June 30, 2023 is \$20,964. Rental income is included in other revenue in the statement of activities.

**NOTES TO FINANCIAL STATEMENTS**  
**UNITED WAY OF WEST FLORIDA, INC.**

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**NOTE K - SUBLEASE RENTAL INCOME (Continued)**

The following is a summary of the short-term leased property in service during March to June 30, 2023.

Land	\$ 23,088
Building and improvements	<u>1,143,825</u>
	1,166,913
Less accumulated depreciaiton	<u>(820,246)</u>
	<u>\$ 346,667</u>

**NOTE L - EMPLOYEE BENEFIT PLAN**

The Organization sponsors a 401K retirement plan through their employee leasing company. The plan covers substantially all the Organization's employees who have met certain service requirements. Employees' vesting is based on a five-year schedule. Employer contributions are 50% of employee contributions with a 3% cap on the employer match and totaled \$16,609 during the year ended June 30, 2023.

**NOTE M - RELATED PARTIES**

Due to designated agencies represents the amount of contributions pledged and designated to other non-profit organizations, including the Organization's member agencies.

The Organization is required to make payments for membership privileges to the related national organization. For the year ended June 30, 2023, payments to national were \$30,635.

**NOTE N - CONCENTRATION OF RISK**

The Organization maintains its cash accounts with two separate financial institutions. Cash accounts at each bank are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 per financial institution. At June 30, 2023 the Organization had cash balances held by financial institutions in excess of insured limits of \$1,413,154.

The Organization's services are funded primarily with grants from the United States Department of Health and Human Services passed through the Florida Department of Children and Families and its managing entity, Big Bend Community Based Care, Inc. d/b/a NWF Health Network. These grants totaled \$1,018,170 or 24% of total revenues; grants receivable from these sources totaled \$162,561 or 47% of total receivables. The Organization's ability to continue to provide the same level of services is contingent on annual appropriations by federal and state legislative bodies.

**NOTES TO FINANCIAL STATEMENTS**  
**UNITED WAY OF WEST FLORIDA, INC.**

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**NOTE O - RISKS AND UNCERTAINTIES**

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statement of net assets.

Each year the Organization records a provision for uncollectible pledges which is estimated based on past collection experience and current economic conditions. It is at least reasonably possible that changes in this estimate in the near term could be material to the financial statements.

Expenditures incurred by the Organization and the providers are subject to audit and possible disallowances by federal and state Organization. The Organization would be responsible for recovery (reimbursement to the grantor Organization) of disallowed. It is the opinion of management that, if audited, any adjustment for disallowed expenses would be immaterial.

Unspent grant funds payable to the grantor totaled \$37,681 at June 30, 2023. The amount represents unspent grant funds.

**NOTE P - LIQUIDITY AND AVAILABILITY**

The Organization's primary source of support is income from contributions. The Organization has a policy to manage its liquidity following three guiding principles: operating within a prudent range of financial stability; maintaining adequate liquidity to fund near-term operations; and maintaining sufficient resources to provide reasonable assurance that long-term operations will be maintained. The following table reflects the Organization's financial assets reduced by amounts not available for general expenditures within one year:

Financial Assets	
Cash and equivalents	\$ 1,648,397
Receivables	595,604
Investments	<u>1,109,816</u>
Total	<u>3,353,817</u>
Less those unavailable for general expenditure within one year, due to:	
Net assets with donor restrictions	<u>(586,362)</u>
Financial assets available to meet cash needs	<u><u>\$ 2,767,455</u></u>

## **SUPPLEMENTARY INFORMATION**

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

**SCHEDULE OF STATE EARNINGS**

**Year Ended June 30, 2023**

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Total expenditures per statement of activities	\$ 3,016,255
Less other state and federal funds	-
Less non-match SAMH funds	1,008,239
Less unallowable costs	<u>-</u>
 Total allowable expenditures	 <u><u>\$ 2,008,016</u></u>
 Maximum available earnings	 <u><u>\$ 1,506,012</u></u>
 Amount of state funds requiring match	 <u><u>\$ -</u></u>
 Amount due to department	 <u><u>\$ -</u></u>

See independent auditor's report and accompanying notes.



# PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE

## UNITED WAY OF WEST FLORIDA, INC.

Year Ended June 30, 2023

AUDIT SCHEDULE ACTUAL EXPENSES AND REVENUES SCHEDULE											
DATE PREPARED: 3/12/2024						AGENCY: United Way of West Florida, Inc.					
BUDGET PERIOD: 7/1/2022-6/30/2023						CONTRACT# UW001					
FUNDING SOURCES & REVENUES	SAHM COVERED SERVICES										
	STATE-FUNDED						Total for State SAMH-Funded Covered Services or Projects (B+C)	Total for Non-State Funded Covered Services or Projects	Total for All Covered Services or Projects (D+E)	Non-SAMH Covered Services or Projects	Total Funding (F+G)
	Mental Health			Substance Abuse							
	Outreach	Information and Referral	Mental Health Total	Outreach	Information and Referral	Substance Abuse Total					
A	15	30	B	15	30	C	D	E	F	G	H
IA. STATE SAMH FUNDING											
Current Year Funding											
MH211 UW001 S	\$ -	\$ 437,500.00	\$ 437,500.00	\$ -	\$ -	\$ -	\$ 437,500.00		\$ 437,500.00		\$ 437,500.00
MH988 UW001 F	-	248,740.18	248,740.18	-	-	-	248,740.18		248,740.18		248,740.18
MH98G UW001 F	-	119,141.94	119,141.94	-	-	-	119,141.94		119,141.94		119,141.94
MHPV2 UW001 F	30,000.00	-	30,000.00	-	-	-	30,000.00		30,000.00		30,000.00
MSCOM UW001 F	-	-	-	-	123,604.00	123,604.00	123,604.00		123,604.00		123,604.00
MSPV2 UW001 F	-	-	-	3,000.00	-	3,000.00	3,000.00		3,000.00		3,000.00
MSARP UW001 F	-	-	-	-	46,252.29	46,252.29	46,252.29		46,252.29		46,252.29
Total Current Year Funding	\$ 30,000.00	\$ 805,382.12	\$ 835,382.12	\$ 3,000.00	\$ 169,856.29	\$ 172,856.29	\$ 1,008,238.41		\$ 1,008,238.41		\$ 1,008,238.41
Carry Forward Funding											
Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -		\$ -
TOTAL STATE SAMH FUNDING =	\$ 30,000.00	\$ 805,382.12	\$ 835,382.12	\$ 3,000.00	\$ 169,856.29	\$ 172,856.29	\$ 1,008,238.41		\$ 1,008,238.41		\$ 1,008,238.41
IB. OTHER GOVERNMENT FUNDING											
(1) Other State Agency Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(2) Medicaid	-	-	-	-	-	-	-	-	-	-	-
(3) Local Government	-	-	-	-	-	-	-	86,003.00	86,003.00	17,032.59	103,035.59
(4) Federal Grants and Contracts	-	-	-	-	-	-	-	198,718.00	198,718.00	73,478.00	272,196.00
(5) In-kind from local govt. only	-	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER GOVERNMENT FUNDING =	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 284,721.00	\$ 284,721.00	\$ 90,510.59	\$ 375,231.59
IC. ALL OTHER REVENUES											
(1) 1st & 2nd Party Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 81,153.36	\$ 81,153.36	\$ 55,056.00	\$ 136,209.36
(2) 3rd Party Payments (except Medicare)	-	-	-	-	-	-	-	-	-	-	-
(3) Medicare	-	-	-	-	-	-	-	-	-	-	-
(4) Contributions and Donations	-	-	-	-	-	-	-	-	-	1,234,176.00	1,234,176.00
(5) Other	-	-	-	-	-	-	-	-	-	1,238,452.00	1,238,452.00
(6) In-kind	-	-	-	-	-	-	-	1,161.24	1,161.24	169,272.85	170,434.09
TOTAL ALL OTHER REVENUES =	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,314.60	\$ 82,314.60	\$ 2,696,956.85	\$ 2,779,271.45
TOTAL FUNDING =	\$ 30,000.00	\$ 805,382.12	\$ 835,382.12	\$ 3,000.00	\$ 169,856.29	\$ 172,856.29	\$ 1,008,238.41	\$ 367,035.60	\$ 1,375,274.01	\$ 2,787,467.44	\$ 4,162,741.45

See independent auditor's report and accompanying notes.

# PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES SCHEDULE (CONTINUED)

## UNITED WAY OF WEST FLORIDA, INC.

Year Ended June 30, 2023

EXPENSE CATEGORIES  A	SAMH COVERED SERVICES							*except IIC & IID						
	STATE FUNDED													
	Mental Health			Substance Abuse			Total for State SAMH-Funded Covered Services (B+C)						Total for Non-State Funded Covered Services	Total for All Covered Services (D+E)
Outreach 15	Information and Referral 30	Mental Health Total B	Outreach 15	Information and Referral 30	Substance Abuse Total C									
IIA. PERSONNEL EXPENSES														
(1) Salaries	\$ -	\$ 543,057.06	\$ 543,057.06	\$ -	\$ 105,690.45	\$ 105,690.45	\$ 648,747.51	\$ 159,384.00	\$ 808,131.51	\$ 673,735.49	\$ -	\$ -	\$ 1,481,867.00	
(2) Fringe Benefits	-	86,534.90	86,534.90	-	18,258.52	18,258.52	104,793.42	35,279.00	140,072.42	102,411.58	-	-	242,484.00	
TOTAL PERSONNEL EXPENSES =	\$ -	\$ 629,591.96	\$ 629,591.96	\$ -	\$ 123,948.97	\$ 123,948.97	\$ 753,540.93	\$ 194,663.00	\$ 948,203.93	\$ 776,147.07	\$ -	\$ -	\$ 1,724,351.00	
IIIB. OTHER EXPENSES														
(1) Building Occupancy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,204.00	\$ 30,204.00	\$ 39,562.00	\$ -	\$ 25,022.00	\$ 94,788.00	
(2) Professional Services	30,000.00	15,079.05	45,079.05	3,000.00	3,180.20	6,180.20	51,259.25	15,513.00	66,772.25	49,801.00	-	1,149.00	117,722.25	
(3) Travel	-	-	-	-	-	-	-	7,865.00	7,865.00	5,487.00	-	-	13,352.00	
(4) Equipment	-	-	-	-	-	-	-	21,035.00	21,035.00	30,852.35	-	28,103.60	79,990.95	
(5) Food Services	-	-	-	-	-	-	-	1,022.00	1,022.00	5,655.32	-	-	6,677.32	
(6) Medical and Pharmacy	-	-	-	-	-	-	-	-	-	-	-	-	-	
(7) Subcontracted Services	-	-	-	-	-	-	-	-	-	-	-	-	-	
(8) Insurance	-	20,158.40	20,158.40	-	4,251.44	4,251.44	24,409.84	-	24,409.84	20,797.16	-	-	45,207.00	
(9) Interest Paid	-	-	-	-	-	-	-	-	269.00	269.00	-	-	269.00	
(10) Operating Supplies & Expenses	-	60,014.50	60,014.50	-	21,490.05	21,490.05	81,504.55	10,259.00	91,763.55	50,425.05	-	43,249.24	185,437.84	
(11) Other-Bad Debt	-	-	-	-	-	-	-	-	-	-	-	-	-	
(12) Donated Items	-	-	-	-	-	-	-	1,161.24	1,161.24	169,272.85	-	-	170,434.09	
(13) Net funds awarded	-	-	-	-	-	-	-	-	-	547,391.00	-	-	547,391.00	
(14) Payments to National	-	-	-	-	-	-	-	-	-	30,635.00	-	-	30,635.00	
TOTAL OTHER EXPENSES =	\$ 30,000.00	\$ 95,251.95	\$ 125,251.95	\$ 3,000.00	\$ 28,921.69	\$ 31,921.69	\$ 157,173.64	\$ 87,059.24	\$ 244,232.88	\$ 950,147.73	\$ -	\$ 97,523.84	\$ 1,291,904.45	
TOT. PERSONNEL & OTH. EXP. =	\$ 30,000.00	\$ 724,843.91	\$ 754,843.91	\$ 3,000.00	\$ 152,870.66	\$ 155,870.66	\$ 910,714.57	\$ 281,722.24	\$ 1,192,436.81	\$ 1,726,294.80	\$ -	\$ 97,523.84	\$ 3,016,255.45	
IIC. DISTRIBUTED INDIRECT COSTS														
(a) Other Support Costs (Optional)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
(b) Administration	-	80,538.21	80,538.21	-	16,985.63	16,985.63	97,523.84	-	97,523.84	-	-	(97,523.84)	0.00	
TOT. DISTR'D INDIRECT COSTS =	\$ -	\$ 80,538.21	\$ 80,538.21	\$ -	\$ 16,985.63	\$ 16,985.63	\$ 97,523.84	\$ -	\$ 97,523.84	\$ -	\$ -	\$ -	\$ 97,523.84	
TOTAL ACTUAL OPER. EXPENSES =	\$ 30,000.00	\$ 805,382.12	\$ 835,382.12	\$ 3,000.00	\$ 169,856.29	\$ 172,856.29	\$ 1,008,238.41	\$ 281,722.24	\$ 1,289,960.65	\$ 1,726,294.80	\$ 0.00	\$ 0.00	\$ 3,016,255.45	
IID. UNALLOWABLE COSTS														
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOT. ALLOWABLE OPER. EXP. =	\$ 30,000.00	\$ 805,382.12	\$ 835,382.12	\$ 3,000.00	\$ 169,856.29	\$ 172,856.29	\$ 1,008,238.41	\$ 281,722.24	\$ 1,289,960.65	\$ 1,726,294.80	\$ -	\$ -	\$ 3,016,255.45	
IIE. CAPITAL EXPENDITURES														
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

### UNITED WAY OF WEST FLORIDA, INC.

**Year Ended June 30, 2023**

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
Corporation for National and Community Service				
Retired and Senior Volunteer Program	94.002	22SRHFL010	-	\$ 41,504
Total Corporation for National and Community Service				41,504
Department of the Treasury - Internal Revenue Service				
Volunteer Income Tax Assistance Matching Grant Program	21.009	23VITA0208	-	31,974
Total Department of the Treasury				31,974
U.S. Department of Health and Human Services:				
Passed Through Big Bend Community Based Care, Inc. d/b/a NWF Health Network				
Substance Abuse and Mental Health Services - Projects of Regional & National Significance	93.243	UW001	-	119,142
Block Grants for Community Mental Health Services	93.958	UW001	-	278,740
Block Grants for Prevention and Treatment of Substance Abuse	93.959	UW001	-	172,856
Total NWF Health Network				570,738
Passed Through Florida Department of Children and Families				
Passed Through Crisis Center of Tampa Bay				
Medical Assistance Program	93.778	LD994	-	45,060
Medical Assistance Program	93.778	LD994	-	152,658
Total Crisis Center of Tampa Bay				197,718
Total U.S. Department of Health and Human Services				768,456
Total Expenditures of Federal Awards				\$ 841,934

See independent auditor's report and accompanying notes to schedule of expenditures of federal awards.

# NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

## UNITED WAY OF WEST FLORIDA, INC.

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### NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of United Way of West Florida, Inc. under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of United Way of West Florida, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of United Way of West Florida, Inc.

### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in The Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Organization's federal awards do not have any loans or loan guarantees.

The Organization did not receive any federal non-cash assistance for the fiscal year ended June 30, 2023.

### NOTE C - U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES GRANTS

During the year ended June 30, 2023, funds totaling \$1,008,238 were received from Big Bend Community Based Care, Inc. d/b/a NWF Health Network. The source of the funds included are federal (CFDA 60.153, 93.243, 93.958, and 93.959). Federal and state funds received from this provider totaled \$570,738 and \$437,500, respectively.

### NOTE D - SUBRECIPIENTS

United Way of West Florida, Inc. did not have any subrecipients for the year ended June 30, 2023.

### NOTE E - INDIRECT COST RATE

The Organization has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**REPORT ON AUDIT PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
United Way of West Florida, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of United Way of West Florida, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 2, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered United Way of West Florida, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of United Way of West Florida, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of United Way of West Florida, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficient may exist that were not identified. Given these

limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002, 2023-003, and 2023-004 that we consider to be significant deficiencies.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether United Way of West Florida, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances or other matters that are required to be reported under *Governmental Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2023-005 and 2023-006.

### **United Way of West Florida, Inc.'s Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on United Way of West Florida Inc.'s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. United Way of West Florida Inc.'s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Brown Thornton Accountants & Company, P.A.*

Pensacola, Florida

July 2, 2024

**REPORT ON AUDIT PERFORMED IN ACCORDANCE  
WITH THE UNIFORM GUIDANCE**



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors  
United Way of West Florida, Inc.

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited United Way of West Florida, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of United Way of West Florida, Inc.'s major federal programs for the year ended June 30, 2023. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, United Way of West Florida, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

**Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of United Way of West Florida, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of United Way of West Florida, Inc.'s compliance with the compliance requirements referred to above.

### **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to United Way of West Florida, Inc.'s federal programs.

### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on United Way of West Florida, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about United Way of West Florida, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 United Way of West Florida, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of United Way of West Florida, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of United Way of West Florida, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2023-005 and 2023-006. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on United Way of West Florida, Inc.'s response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. United Way of West Florida, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a significant deficiency.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-005 and 2023-006 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on United Way of West Florida, Inc.'s response to the internal control over the compliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. United Way of West Florida, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Brown Thornton Paccetta & Company, P.A.*

Pensacola, Florida

July 2, 2024

**SCHEDULE OF FINDINGS AND QUESTIONED  
COSTS**

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

**Year Ended June 30, 2023**

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**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

Financial Statements

Type of auditor's report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiencies identified not to be considered material weakness?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness identified?	No
Significant deficiencies identified not to be considered material weaknesses?	Yes
Type of auditor's report issued on compliance for major programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance Section 516(a)	Yes

Identification of Major Programs and Projects

Federal Programs

CFDA Number

Name of Federal Program or Cluster

93.959

Block Grants for Prevention and Treatment of Substance Abuse

93.958

Block Grants for Community Mental Health Services

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
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Auditee qualified as a low-risk auditee	No
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**SCHEDULE OF FINDINGS AND QUESTIONED  
COSTS**

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

**Year Ended June 30, 2023**

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**SECTION I - SUMMARY OF AUDITOR'S RESULTS (CONTINUED)**

State Projects

CSFA Number  
None

Name of  
State Program

Dollar threshold used to distinguish  
between Type A and Type B programs:                      \$ 300,000

**SECTION II - FINANCIAL STATEMENTS FINDINGS**

**Finding 2023-001: Documentation for Material Agreements and Documents  
(Significant Deficiency)**

Criteria: Supporting documentation including grant agreements, deposit and check support, and other contracts must be maintained and stored in a adequate manner to ensure they are readily available when requested.

Condition: The Organization's grant agreements and supporting documentation were not provided in a timely manner, resulting in delayed reporting.

Cause: A combination of turnover in finance personnel within the Organization and a loss of financial data that had to be recreated from a prior year resulted in a delayed audit and late reporting.

Effect: As a result, additional time and hours were necessary for us to gather appropriate evidence to support our opinion on the Organization's financial statements.

Questioned Costs: None noted

Context: During our audit, we experienced difficulties in obtaining adequate supporting documents for material grant agreements and contracts.

Repeat Finding from Prior Year: No

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

UNITED WAY OF WEST FLORIDA, INC.

Year Ended June 30, 2023

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Recommendation: We recommend the Organization obtain and retain signed contracts for all material transactions and that the documentation contain elements including dates the agreement covers, amounts, reporting requirements, compliance requirements, and the scope of the material or services to be provided. We also recommend filing and storing accounting records and Board minutes in a systematic manner, and specifying a process for retrieving and replacing documents in an orderly fashion so that they may be easily located when needed.

Views of Responsible Officials: Management is in agreement and will implement controls over documentation to remedy the deficiency.

### **Finding 2023-002: Financial Statement Close Process (Significant Deficiency)**

Criteria: Monthly and year end account reconciliation and financial closing must be completed in a timely manner for appropriate board and management oversight and reporting.

Condition: The Organization's account reconciliations and financial records were not completed and closed in a timely manner, resulting in delayed reporting and ledger accounts that did not agree with subsidiary ledgers.

Cause: The organization did not reconcile accounts to financial records in a timely manner.

Effect: The lack of timely account reconciliations and closing of financial records resulted in delayed information provided to the Board of Directors, for the audit, and late filing to the Federal Audit Clearinghouse and necessary adjustments to the financial statements.

Questioned Costs: None noted

Context: Certain subsidiary ledgers were not in agreement with the general ledger.

Repeat Finding from Prior Year: No

Recommendation: We recommend a comprehensive checklist be prepared by the accounting department. The checklist should cover all procedures that the Organization determines need to be performed on a periodic basis including, but not limited to, month-end procedures such as bank reconciliations, and general ledger account analysis.

Views of Responsible Officials: Management is in agreement and will implement controls over the financial statement close process to reconcile accounts in a timely basis.

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

UNITED WAY OF WEST FLORIDA, INC.

Year Ended June 30, 2023

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### **Finding 2023-003: Control Blank Checks (Significant Deficiency)**

Criteria: Internal control over cash is vital to all Organizations. Part of the internal controls over cash includes limiting the custody of blank checks to only certain finance personnel and preventing access to unauthorized individuals.

Condition: Blank checks are being stored in unsecured locations, such as a file drawer in the business manager's office.

Cause: The Organization did not have a system in place to securely store blank checks.

Effect: Although no fraudulent checks were noted during audit procedures, the Organization is more susceptible to fraud risk if blank checks are not securely stored.

Questioned Costs: None noted

Context: During the audit, it was noted that blank checks were not securely stored.

Repeat Finding from Prior Year: No

Recommendation: We recommend that blank checks be kept in a locked box or cabinet accessible only to those with proper authorization and that the checks periodically be accounted for. We noted that the supply of unused checks is not adequately safeguarded against possible misuse of the checks. We recommend that a responsible employee be charged with the responsibility for safeguarding and issuing unused checks.

Views of Responsible Officials: Management is in agreement and will keep blank checks secure.

### **Finding 2023-004 Reconciliation of Cash Accounts (Significant Deficiency)**

Criteria: An adequate internal control environment ensures that there is no major finance function that does not have oversight or controls regarding custody, record keeping, and authorization of the applicable financial procedures.

Condition: The bank reconciliations are currently being performed by the same employee that opens the bank statements and has access to the accounting software.

Cause: The Organization does not have an adequate internal control system over the review of bank reconciliations.



## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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

**Year Ended June 30, 2023**

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Effect: The bank reconciliation were not completed in a timely manner and the lack of a review system creates additional risk to the Organization to be susceptible to fraudulent bank activity or other errors.

Questioned Costs: None noted

Context: During the audit, it was noted that the CFO opens the bank statements and performs the bank reconciliation without any other personnel reviewing the original bank statements. There was also not a timely review of the bank reconciliation from other management.

Repeat Finding from Prior Year: No

Recommendation: We recommend that a secondary member of management open the bank statements and review them for any unusual checks or other transactions before giving them to the CFO to perform the reconciliation. Management's multi-person review of the bank statement will better identify unusual items to investigate on a timely basis and provides additional process controls. We recommend that the reconciliations be signed as an indication of approval. Doing so would take little additional time and might even prevent time from being wasted by inadvertent review of reconciliations that had already been reviewed. We also recommend that the reconciliations be signed and dated by employees preparing them. As a prompt to the preparer and reviewer/approver to sign the reconciliation, preprinted reconciliation forms could include a signature block with space for the signatures, or a stamp with a signature block could be applied to the reconciliations.

Views of Responsible Officials: Management is in agreement and will implement controls over the bank reconciliation process to remedy the deficiency.

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

UNITED WAY OF WEST FLORIDA, INC.

Year Ended June 30, 2023

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### SECTION III - FEDERAL AWARD FINDINGS

#### **Finding 2023-005: Non-Compliance with Grant Agreement Reporting Deadlines (Significant Deficiency)**

Criteria: 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards require compliance with federal and state contracts. The Organization's standard SAMH service provider contract, Big Bend Community Based Care, Inc. d/b/a NWF Health Network, required the Form CF-MH 1037 to be submitted by December 31, 2023.

Condition: During the audit, Form CF-MH 1037 Reconciliation Report for the fiscal year ending on June 30, 2023, was not timely available. It was noted that the form had not yet been sent to the grantor agency by the deadline of December 31, 2023.

Cause: Recent turnover in finance personnel within the Organization and an inadequate control system in place prevented the Organization from accurately tracking and reporting grant expenditures in a timely manner. The Organization is also having a single audit for the first time and did not have all control systems in place before the reporting deadline.

Effect: The Organization was listed as non-compliant on the grant confirmation as the required reports were not submitted before the deadline. Late filings of reports may jeopardize the organization's eligibility for future funding, potentially impacting its ability to fulfill its mission and objectives.

Questioned Costs: None noted

Context: The organization failed to submit required reports within the timeframe outlined in the grant agreement, resulting in non-compliance with the grant.

Repeat Finding from Prior Year: No

Recommendation: We recommend implementing a comprehensive framework for monitoring grant compliance, including clear procedures and responsibilities for tracking reporting deadlines and ensuring timely submissions.

Views of Responsible Officials: Management is in agreement and will implement procedures to meet reporting deadlines.

**SCHEDULE OF FINDINGS AND QUESTIONED  
COSTS**

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

**Year Ended June 30, 2023**

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**Finding 2023-006: Reporting (Significant Deficiency)**

Criteria: 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards require an audit be completed and the data collection form and reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period.

Condition: The audit and data collection form and reporting packages were not submitted to the Federal Audit Clearinghouse before the deadline.

Cause: The Organization did not submit their data collection form and reporting package to the Federal Audit Clearinghouse by March 31, 2024.

Effect: The Organization's audit was not complete until July 2024 due to recent turnover in the Organization's finance department resulting in accounts not being reconciled timely.

Questioned Costs: None noted

Context: The Organization's fiscal year end is June 30, 2023, therefore making their filing deadline to submit their audit to the Federal Audit Clearinghouse the earlier of 30 calendar dates after receipt of the auditor's report or March 31, 2024. Due to recent turnover with the Organization's finance department resulting in accounts not being reconciled timely, the Organization's audit was not completed until June 2024 resulting in a late filing with the Federal Audit Clearinghouse.

Repeat Finding from the Prior Year: No

Recommendation: We recommend that the Organization review its processes and procedures to ensure timely closing of the annual financial records, allowing for a timely audit and the timely submission of the data collection form and reporting package to the Federal Audit Clearinghouse.

Views of Responsible Officials: Management is in agreement and will implement procedures to meet reporting deadlines.

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### UNITED WAY OF WEST FLORIDA, INC.

**Year Ended June 30, 2023**

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For the year ended June 30, 2022, United Way of West Florida, Inc. did not have an audit requirement under *Government Auditing Standards* or the Uniform Guidance. Therefore, there are no prior audit findings to report.

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## United Way of West Florida

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Pensacola, FL 32504  
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Fax: (850) 444-7117



[www.uwwf.org](http://www.uwwf.org)

### BOARD OFFICERS

Todd Phillips  
*Chair*

Brian Wyer  
*Vice Chair*

Tom Della Flora  
*Treasurer*

Tony Kisner  
*Secretary*

Amy Miller  
*Immediate Past Chair*

### BOARD MEMBERS

Megan Burke  
Matt Couch  
Clare Haenszel  
Kendrick Doidge  
Naisy Dolar  
Debbie Douma  
Donna Edwards  
Johnny Fayard  
Jeff Fletcher  
Jessica Griffen  
Wesley Hall  
Larry Heringer  
Heather Hyde  
Wanda Kotick  
Barbara MacNeil  
Muriel Merritt  
Travis Morock  
Jen Mostert  
Eric Myers  
Denise Myrick  
Jeremy Ruffin  
Chris Scales  
Dan Schebler  
Patrice Whitten

### UNITED WAY STAFF LEADERSHIP

Laura Gilliam  
*President/CEO*

Mary Zaledonis  
*VP of Impact Services*

### DIRECTORS

Melissa Lewis  
*Director of Operations*

Stephen Prestesater  
*Director of Marketing & Development*

Tami Randel  
*Director of Finance*

6/29/2024

This corrective action plan is in response to United Way of West Florida's single audit report for the fiscal year ended June 30, 2023, Brown, Thorton, Pacenta & Company, PA.

## SECTION II – FINANCIAL STATEMENT FINDING 2023-001

### Finding 2023-001: Documentation for Material Agreements and Documents (Significant Deficiency)

**Recommendation:** We recommend the Organization obtain and retain signed contracts for all material transactions and that the documentation contain elements including dates the agreement covers, amounts, reporting requirements, compliance requirements, and the scope of the material or services to be provided. We also recommend filing and storing accounting records and Board minutes in a systematic manner, and specifying a process for retrieving and replacing documents in an orderly fashion so that they may be easily located when needed.

**Corrective Action:** New procedures have been established to have all executed contracts emailed to the Director of Finance. The Director of Finance will save the contract to the SharePoint files for the specific grant or program.

**Person Responsible for Corrective Action:** Director of Finance

**Anticipated Completion Date for Corrective Action:** The corrective action was implemented in February 2024 in response to the auditors' requests during the audit.

### Finding 2023-002: Financial Statement Close Process (Significant Deficiency)

**Recommendation:** We recommend a comprehensive checklist be prepared by the accounting department. The checklist should cover all procedures that the Organization determines need to be performed on a periodic basis including, but not limited to, month-end procedures such as bank reconciliations, and general ledger account analysis.

**Corrective Action:** The current month-end checklist is being updated to be more comprehensive. The Director of Finance is creating a comprehensive year-end checklist to ensure that all ledgers are reconciled with the GL.



CH746 A COPY OF THE OFFICIAL REGISTRATION AND FINANCIAL INFORMATION OF UNITED WAY OF WEST FLORIDA, PRINCIPALLY LOCATED IN FLORIDA, MAY BE OBTAINED FROM THE DIVISION OF CONSUMER SERVICES BY CALLING TOLL-FREE, 1-800-435-7352. REGISTRATION DOES NOT IMPLY ENDORSEMENT, APPROVAL, OR RECOMMENDATION BY THE STATE.



**Person Responsible for Corrective Action:** Director of Finance

**Anticipated Completion Date for Corrective Action:** The corrective action will be immediately implemented in response to the auditors' recommendation.

**Finding 2023-003: Control Blank Checks (Significant Deficiency)**

**Recommendation:** We recommend that blank checks be kept in a locked box or cabinet accessible only to those with proper authorization and that the checks periodically be accounted for. We noted that the supply of unused checks is not adequately safeguarded against possible misuse of the checks. We recommend that a responsible employee be charged with the responsibility for safeguarding and issuing unused checks.

**Corrective Action:** A new lockable cabinet has been purchased to lock unused checks. Keys to the cabinet will be kept only by staff that does not have authority to sign checks.

**Person Responsible for Corrective Action:** Director of Finance

**Anticipated Completion Date for Corrective Action:** The corrective action will be immediately implemented in response to the auditors' recommendation.

**Finding 2023-004 Reconciliation of Cash Accounts (Significant Deficiency)**

**Recommendation:** We recommend that a secondary member of management open the bank statements and review them for any unusual checks or other transactions before giving them to the CFO to perform the reconciliation. Management's multi-person review of the bank statement will better identify unusual items to investigate on a timely basis and provides additional process controls. We recommend that the reconciliations be signed as an indication of approval. Doing so would take little additional time and might even prevent time from being wasted by inadvertent review of reconciliations that had already been reviewed. We also recommend that the reconciliations be signed and dated by employees preparing them. As a prompt to the preparer and reviewer/approver to sign the reconciliation, preprinted reconciliation forms could include a signature block with space for the signatures, or a stamp with a signature block could be applied to the reconciliations..

**Corrective Action:** Bank statements are downloaded from the bank website on a monthly basis. New procedures are being established to strengthen internal controls. After the Director of Finance reconciles the bank statements, they will be given to the President/CEO for review. The President/CEO will have access to the online banking portal and can review the reconciliations to the online bank statements to confirm that changes were not made and there were not any unauthorized transactions.

**Person Responsible for Corrective Action:** Director of Finance & President/CEO

**Anticipated Completion Date for Corrective Action:** The corrective action will be immediately implemented in response to the auditors' recommendation.

### **SECTION III – FEDERAL AWARD FINDINGS**

#### **Finding 2023-005: Non-Compliance with Grant Agreement Reporting Deadlines (Significant Deficiency)**

**Recommendation:** We recommend implementing a comprehensive framework for monitoring grant compliance, including clear procedures and responsibilities for tracking reporting deadlines and ensuring timely submissions.

**Corrective Action:** Procedures have been established to run program financial statements to monitor spending monthly. Form 1037 is being added to the comprehensive year-end checklist to ensure that the reports are completed in time.

**Person Responsible for Corrective Action:** Director of Finance

**Anticipated Completion Date for Corrective Action:** The corrective action will be immediately implemented in response to the auditors' recommendation.

#### **Finding 2023-006: Reporting (Significant Deficiency)**

**Recommendation:** We recommend that the Organization review its processes and procedures to ensure timely closing of the annual financial records, allowing for a timely audit and the timely submission of the data collection form and reporting package to the Federal Audit Clearinghouse.

**Corrective Action:** Month-end and Year-end processes are being updated and streamlined to ensure timely closing. We have requested to be added to the auditor's schedule earlier this year. Many of the reports required for a single audit are now established and can easily be completed for the next audit.

**Person Responsible for Corrective Action:** Director of Finance

**Anticipated Completion Date for Corrective Action:** The corrective action will be immediately implemented in response to the auditors' recommendation.