

FINANCIAL STATEMENTS

UNITED WAY OF WEST FLORIDA, INC.

JUNE 30, 2022

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INDEPENDENT AUDITOR'S REPORT

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

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, 2022, 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, 2022, 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. 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 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 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 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, 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 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 16, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Brown Thornton Parenta & Company, P.A.

Pensacola, Florida
February 16, 2023

STATEMENT OF FINANCIAL POSITION

UNITED WAY OF WEST FLORIDA, INC.

June 30, 2022

(with comparative totals for 2021)

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
ASSETS		
Cash and cash equivalents	\$ 560,822	\$ 1,168,912
Pledges receivables, net	629,609	589,362
Accounts receivable	267,568	245,641
Employee retention credit receivable	102,916	-
Prepaid expenses and other	78,044	81,319
Investments	1,053,159	1,180,870
Property and equipment, net	<u>395,272</u>	<u>383,239</u>
Total assets	<u>\$ 3,087,390</u>	<u>\$ 3,649,343</u>

LIABILITIES AND NET ASSETS

LIABILITIES		
Due to designated agencies	\$ 68,102	\$ 42,947
Allocations payable	483,478	700,000
Custodial funds payable	67,763	31,183
Accounts payable	12,104	26,055
Accrued expenses	44,042	43,974
Deferred revenue	111,976	76,503
Capital lease obligation	<u>-</u>	<u>-</u>
Total liabilities	<u>787,465</u>	<u>920,662</u>
NET ASSETS		
Without donor restrictions	1,713,203	2,180,358
With donor restrictions	<u>586,722</u>	<u>548,323</u>
Total net assets	<u>2,299,925</u>	<u>2,728,681</u>
Total liabilities and net assets	<u>\$ 3,087,390</u>	<u>\$ 3,649,343</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, 2022
(with comparative totals for 2021)**

	2022		Total	2021 Total
	Net Assets Without Restriction	Net Assets With Donor Restriction		
Public support and revenue				
Gross campaign results	\$ 1,259,957	\$ 136,428	\$ 1,396,385	\$ 1,665,365
Less donor designations	(154,730)	-	(154,730)	(137,372)
Less provision for uncollectibles	(74,534)	-	(74,534)	(70,921)
Net campaign results	1,030,693	136,428	1,167,121	1,457,072
In-kind contributions	149,567	-	149,567	159,367
Contributions from outside service area	12,952	-	12,952	3,937
Investment return	(127,699)	-	(127,699)	195,799
Grants, contracts and program revenues	73,752	923,435	997,187	1,701,993
Other income	7,913	-	7,913	929,890
	1,147,178	1,059,863	2,207,041	4,448,058
Net assets released from restrictions				
Satisfaction of time and purpose	1,021,464	(1,021,464)	-	-
Total public support and revenues	2,168,642	38,399	2,207,041	4,448,058
Expenses				
Program services:				
Gross funds awarded/distributed	935,841	-	935,841	1,618,244
Less donor designations	(154,730)	-	(154,730)	(137,372)
Net funds awarded/distributed	781,111	-	781,111	1,480,872
Allocation expenses	53,591	-	53,591	55,439
Information and referral	735,727	-	735,727	259,374
Impact initiatives	205,174	-	205,174	857,836
Volunteer services	104,887	-	104,887	177,159
Total program services	1,880,490	-	1,880,490	2,830,680
Support services				
Fundraising	291,771	-	291,771	273,573
Organizational administration	423,841	-	423,841	438,283
Total supporting services	715,612	-	715,612	711,856
Payments to UW National	39,695	-	39,695	42,759
Total expenses	2,635,797	-	2,635,797	3,585,295
Change in net assets	(467,155)	38,399	(428,756)	862,763
Net assets, beginning of year	2,180,358	548,323	2,728,681	1,865,918
Net assets, end of year	\$ 1,713,203	\$ 586,722	\$ 2,299,925	\$ 2,728,681

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, 2022
(with comparative totals for 2021)**

	Program Services					Supporting Services			2022	2021	
	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	\$ 935,841	\$ -	\$ -	\$ -	\$ -	\$ 935,841	\$ -	\$ -	\$ -	\$ 935,841	\$ 1,618,244
Less donor designations	(154,730)	-	-	-	-	(154,730)	-	-	-	(154,730)	(137,372)
Net funds awarded/distributed	781,111	-	-	-	-	781,111	-	-	-	781,111	1,480,872
Depreciation	-	1,068	2,150	17,040	3,446	23,704	5,087	6,005	11,092	34,796	37,028
Dues and subscriptions	-	378	800	5,257	1,055	7,490	1,831	1,833	3,664	11,154	9,785
Interest	-	-	-	-	-	-	-	422	422	422	323
Maintenance and repairs	-	12,321	40,592	17,694	5,797	76,404	9,975	16,209	26,184	102,588	125,401
Occupancy	-	3,032	6,325	43,873	8,708	61,938	16,029	12,922	28,951	90,889	78,204
Other	-	246	3,750	794	1,083	5,873	1,770	3,223	4,993	10,866	13,463
Personnel expenses	-	34,919	75,208	559,327	70,839	740,293	186,285	316,082	502,367	1,242,660	1,467,739
Postage	-	9	84	197	31	321	305	1,708	2,013	2,334	3,736
Printing and promotion	-	145	41,427	11,756	3,412	56,740	54,595	22,737	77,332	134,072	105,547
Professional services	-	656	31,509	16,750	8,307	57,222	11,025	32,956	43,981	101,203	152,888
Staff development	-	217	1,739	21,798	73	23,827	1,411	5,821	7,232	31,059	3,081
Supplies	-	9	61	143	543	756	357	1,714	2,071	2,827	8,190
Telephone	-	591	1,529	41,098	1,593	44,811	3,101	2,209	5,310	50,121	56,279
Total expenses, net of national dues	\$ 781,111	\$ 53,591	\$ 205,174	\$ 735,727	\$ 104,887	\$ 1,880,490	\$ 291,771	\$ 423,841	\$ 715,612	2,596,102	3,542,536
Payments to UW National										39,695	42,759
Total expenses										\$ 2,635,797	\$ 3,585,295

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, 2022
(with comparative totals for 2021)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (428,756)	\$ 862,763
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	34,796	37,026
(Gain) loss on disposal of property	-	(858,888)
Gain on sale of securities	(46,122)	(58,144)
Unrealized (gain) loss on investments	184,957	(126,766)
Provision for uncollectible accounts	-	176,163
Change in assets and liabilities		
Decrease (increase) in operating assets:		
Pledges receivable-net	(40,247)	(65,901)
Accounts receivable	(21,927)	(165,098)
Prepaid expenses	(99,641)	(34,947)
Increase (decrease) in operating liabilities:		
Due to designated agencies	25,155	(31,670)
Allocations payable	(216,522)	143,018
Custodial funds payable	36,580	12,665
Accounts payable	(13,951)	(40,164)
Accrued expenses	68	9,294
Deferred revenue	35,473	76,503
	(550,137)	(64,146)
Net cash used by operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds on sale of securities	232,166	183,238
Purchases of investments	(243,290)	(268,857)
Acquisition of equipment	(46,829)	-
Proceeds on sale of property	-	928,074
	(57,953)	842,455
Net cash used by investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on capital lease	-	(869)
	-	(869)
Net cash used by financing activities		
NET (DECREASE) INCREASE IN CASH	(608,090)	777,440
Cash and equivalents, beginning of year	1,168,912	391,472
Cash and equivalents, end of year	\$ 560,822	\$ 1,168,912

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

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

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 on March 6, 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.

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, 2022. An allowance for uncollectible pledges receivable is provided based on management's estimate using prior collection history and current economic conditions.
6. Accounts Receivable - Accounts receivable consist primarily of grants or amounts due from providing services or goods. Management believes no allowance for doubtful accounts is 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 - 30 years
Furniture and fixtures	5 - 10 years
Equipment	5 - 7 years

9. Program Revenue - The Organization adopted Accounting Standards Update No. 2014-19, *Revenue from Contracts with Customers (Topic 606)*, which affects contracts with customers to transfer goods or services.

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, 2022, none of the Organization's long-lived assets were considered to be impaired

NOTES TO FINANCIAL STATEMENTS

UNITED WAY OF WEST FLORIDA, INC.

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, 2022, an estimated 9,135 hours were volunteered by employees 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.

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 provisions of the grant determine the timing of the revenue recognition. Grant expenses are recognized when incurred. Amounts that have been awarded but not received are recorded as grant receivable.

14. 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 best judgement.

15. 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.

NOTES TO FINANCIAL STATEMENTS

UNITED WAY OF WEST FLORIDA, INC.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

16. 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, 2020 through 2022.

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.

17. Financial Instruments - The Organization's financial instruments include cash, pledges and accounts receivable, certain investments, designated/allocations payable, accounts payable, accrued expenses, and capital lease obligations. The carrying values of cash, pledges and accounts receivable, designated/allocations payable, accounts payable and accrued expenses approximate their fair values due to their short-term nature. The carrying value of capital lease obligations approximates fair value due to their bearing interest at rates that approximate current market rates for notes with similar maturities and credit quality.
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, 2021, 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.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

19. New Accounting Pronouncements - In February 2016, the FASB issued 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 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. However, unlike current U.S. GAAP, which requires only capital leases to be recognized on the statement of financial position, ASU 2016-02 will require both types of leases to be recognized on the statement of financial position. ASU 2016-02 also requires disclosures about the amount, timing, and uncertainty of cash flows arising from leases. These disclosures include qualitative and quantitative requirements, providing additional information about the amounts recorded in the financial statements. This standard is effective for fiscal periods beginning after December 15, 2021. The Organization plans to adopt this ASU for its year ending June 30, 2023.
20. Events Occurring After the Reporting Date - The Organization has evaluated events and transactions that occurred between June 30, 2022 and February 16, 2023, 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, 2022, are summarized as follows:

Pledges receivable	\$	740,055
Allowance for uncollectible pledges:		
Balance - beginning of year		132,340
Add provision for uncollectible pledges		-
Deduct write-off of net uncollectible pledges and amounts received from prior campaigns		<u>(21,894)</u>
Balance - end of year		<u>110,446</u>
Pledges receivable - net	\$	<u>629,609</u>

No discount has been applied to the pledge receivable balance at June 30, 2022, as all pledges are collectible within one year.

NOTES TO FINANCIAL STATEMENTS

UNITED WAY OF WEST FLORIDA, INC.

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, 2022.

Fair value of assets measured on a recurring basis at June 30, 2022, are as follows:

	<u>Fair Value</u>	<u>Level 1</u>
Mutual funds - equity	\$ 461,404	\$ 461,404
Mutual funds - fixed income	<u>307,212</u>	<u>307,212</u>
	<u>\$ 768,616</u>	<u>\$ 768,616</u>

Cost, fair value and unrealized gains from acquisition until June 30, 2022, for assets held as investments are summarized as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gains (Losses)</u>
Cash	\$ 284,543	\$ 284,543	\$ -
Mutual funds - equity	383,695	461,404	77,709
Mutual funds - fixed income	<u>340,678</u>	<u>307,212</u>	<u>(33,466)</u>
	<u>\$ 1,008,916</u>	<u>\$ 1,053,159</u>	<u>\$ 44,243</u>

Cash in the money market account for the year ended June 30, 2022, is \$250,029.

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

NOTE D - INVESTMENTS (Continued)

Investment return for the year ended June 30, 2022, is summarized as follows:

Dividends and interest	\$ 18,154
Realized gains on sales of securities	46,122
Less investment expense	<u>(7,018)</u>
	57,258
Unrealized gains on investments	<u>(184,957)</u>
Investment return	<u><u>\$ (127,699)</u></u>

Investments at June 30, 2022, were included in the following net assets accounts:

Without restrictions	\$ 686,233
With restrictions	<u>366,926</u>
	<u><u>\$ 1,053,159</u></u>

NOTE E - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30, 2022:

Land	\$ 23,088
Building improvements	1,143,825
Furniture and fixtures	56,923
Furniture and equipment	<u>149,058</u>
	1,372,894
Less accumulated depreciation	<u>(977,622)</u>
Property and equipment - Net	<u><u>\$ 395,272</u></u>

Depreciation expense totaled \$34,796 for the year ended June 30, 2022.

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

NOTE F - DESIGNATIONS AND ALLOCATIONS PAYABLE

Due to designated agencies, allocations payable and custodial funds payable at June 30, 2022 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 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. The future minimum lease payments are as follows:

<u>Years Ending June 30,</u>	<u>Amounts</u>
2023	\$ 1,320
2024	1,320
2025	1,320
2026	220
Thereafter	<u>-</u>
	<u>\$ 4,180</u>

NOTE H - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted at June 30, 2022 for the following purposes or periods:

Subject to expenditure for specified purpose:	
Grants, fiscal agent funds, and other initiatives	\$ 143,259
Achieve Escambia	72,287
Time	<u>4,250</u>
Total subject to expenditure for specified purpose	219,796
Endowment subject to Organization's spending policy and appropriation:	
Endowment funds (see Note I)	<u>366,926</u>
	<u>\$ 586,722</u>

NOTES TO FINANCIAL STATEMENTS

UNITED WAY OF WEST FLORIDA, INC.

NOTE H - NET ASSETS WITH DONOR RESTRICTIONS (Continued)

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

Grants, fiscal agent funds, and other initiatives	\$	745,255
Campaign pledges, other gifts		35,772
Annual Meeting, Miracle on Palafox, Stuff the Bus and Day of Caring		<u>240,437</u>
	\$	<u>1,021,464</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.

The composition and changes in endowment funds for the year ended June 30, 2022, are as follows:

Endowments:		
Endowment net assets, beginning of year	\$	366,926
Investment income		8,666
Net unrealized and realized gains (losses)		(42,174)
Investment expenses		3,350
Amounts appropriated		<u>30,157</u>
Endowment net assets, end of year	\$	<u>366,926</u>

NOTES TO FINANCIAL STATEMENTS

UNITED WAY OF WEST FLORIDA, INC.

NOTE J - IN-KIND GIFTS

In-kind gifts include contributions of tangible and intangible personal property and were expensed as follows for the year ended June 30, 2022:

Printing, media advertising and promotion	\$ 56,157
Donated goods for events	28,325
Operating supplies and expenses	<u>65,085</u>
	<u>\$ 149,567</u>

NOTE K - 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 amounted to \$15,666 during the year ended June 30, 2022.

NOTE L - 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, 2022, payments to national were \$39,695.

NOTE M - CONCENTRATION OF RISK

The standard FDIC coverage is \$250,000 at each financial institution. As of June 30, 2022, the Organization maintained cash balances of \$338,009 in excess of FDIC coverage.

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

NOTE N - 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.

NOTE O - 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	\$ 560,822
Receivables	1,000,093
Investments	<u>1,053,159</u>
Total	<u>2,614,074</u>
Less those unavailable for general expenditure within one year, due to:	
Net assets with donor restrictions	<u>(586,722)</u>
Financial assets available to meet cash needs	<u>\$ 2,027,352</u>

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