

HEART OF FLORIDA UNITED WAY, INC.

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

As of and for the Years Ended June 30, 2024 and 2023

And Reports of Independent Auditor

HEART OF FLORIDA UNITED WAY, INC.
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Report of Independent Auditor

To the Board of Directors
Heart of Florida United Way, Inc.
Orlando, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Heart of Florida United Way, Inc. (the “Organization”) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization’s ability to continue as a going concern 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 the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The 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 November 14, 2024, on our consideration of Heart of Florida United Way, 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 Heart of Florida United Way, 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 Heart of Florida United Way, Inc.'s internal control over financial reporting and compliance.

Cherry Bekaert LLP

Orlando, Florida
November 14, 2024

FINANCIAL STATEMENTS

HEART OF FLORIDA UNITED WAY, INC.
STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash	\$ 6,678,174	\$ 11,552,856
Investments - operating	34,596,011	30,789,851
Campaign pledges receivable, less allowance for uncollectible pledges of \$1,278,911 and \$1,541,101 in 2024 and 2023, respectively	1,754,477	2,772,938
Grants receivable	1,750,890	2,363,961
Other receivables	1,250	89,983
Prepaid expenses	276,312	106,036
Property and equipment, net	3,087,480	3,143,896
Pooled investment with Central Florida Foundation, Inc.	2,079,870	1,954,945
Total Assets	<u><u>\$ 50,224,464</u></u>	<u><u>\$ 52,774,466</u></u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 584,504	\$ 673,580
Accrued expenses	756,090	663,690
Campaign pledges due to designated agencies and other United Way organizations	474,924	451,399
Grants payable	3,100,149	5,679,053
Unearned revenue	1,787,385	1,787,385
Total Liabilities	<u>6,703,052</u>	<u>9,255,107</u>
Net Assets:		
Without donor restrictions	37,859,610	34,842,030
With donor restrictions	5,661,802	8,677,329
Total Net Assets	<u>43,521,412</u>	<u>43,519,359</u>
Total Liabilities and Net Assets	<u><u>\$ 50,224,464</u></u>	<u><u>\$ 52,774,466</u></u>

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

HEART OF FLORIDA UNITED WAY, INC.
STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Gross campaign and initiative results applicable to current period received in prior periods and now released from restriction	\$ 9,753,697	\$ (9,753,697)	\$ -
Donor designations	(1,747,390)	1,747,390	-
Provision for uncollectible pledges	281,703	517,558	799,261
Total Net Campaign Revenue for Current Period	8,288,010	(7,488,749)	799,261
Gross workplace campaign and initiative results received for future allocation periods	-	6,641,098	6,641,098
Less donor designations	-	(1,619,477)	(1,619,477)
Less provision for uncollectible pledges	-	(431,639)	(431,639)
Total Net Campaign Revenue for Future Allocation Periods	-	4,589,982	4,589,982
Grant and contract revenues	7,285,905	-	7,285,905
211 and crisis services grants	-	4,880,127	4,880,127
Contributions	467,008	-	467,008
Donated advertising and services	517,329	-	517,329
Other revenues	373,541	-	373,541
Emergency assistance funds	-	541,751	541,751
Investment return, net	3,034,909	-	3,034,909
Funds released from restriction	5,538,638	(5,538,638)	-
Total Revenues and Support	25,505,340	(3,015,527)	22,489,813
Expenses:			
Program Services:			
Allocation services	4,984,285	-	4,984,285
Ryan White	2,729,606	-	2,729,606
211 and crisis services	4,841,370	-	4,841,370
Other program services	5,324,219	-	5,324,219
Total Program Services	17,879,480	-	17,879,480
Supporting Services:			
Management and general	2,518,301	-	2,518,301
Fundraising	2,089,979	-	2,089,979
Total Supporting Services	4,608,280	-	4,608,280
Total Expenses	22,487,760	-	22,487,760
Change in net assets	3,017,580	(3,015,527)	2,053
Net assets, beginning of year	34,842,030	8,677,329	43,519,359
Net assets, end of year	\$ 37,859,610	\$ 5,661,802	\$ 43,521,412

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

HEART OF FLORIDA UNITED WAY, INC.
STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Gross campaign and initiative results applicable to current period received in prior periods and now released from restriction	\$ 8,924,508	\$ (8,924,508)	\$ -
Donor designations	(1,687,035)	1,687,035	-
Provision for uncollectible pledges	192,287	835,566	1,027,853
Total Net Campaign Revenue for Current Period	7,429,760	(6,401,907)	1,027,853
Gross workplace campaign and initiative results received for future allocation periods	-	9,753,697	9,753,697
Less donor designations	-	(1,747,390)	(1,747,390)
Less provision for uncollectible pledges	-	(517,558)	(517,558)
Total Net Campaign Revenue for Future Allocation Periods	-	7,488,749	7,488,749
Grant and contract revenues	5,051,301	-	5,051,301
211 and crisis services grants	-	4,226,331	4,226,331
Contributions	222,164	-	222,164
Donated advertising and services	493,511	-	493,511
Other revenues	383,617	-	383,617
Emergency assistance funds	-	503,421	503,421
Investment return, net	1,559,233	-	1,559,233
Funds released from restriction	5,125,593	(5,125,593)	-
Total Revenues and Support	20,265,179	691,001	20,956,180
Expenses:			
Program Services:			
Allocation services	4,901,326	-	4,901,326
Ryan White	2,606,660	-	2,606,660
211 and crisis services	3,344,757	-	3,344,757
Other program services	6,700,310	-	6,700,310
Total Program Services	17,553,053	-	17,553,053
Supporting Services:			
Management and general	2,609,018	-	2,609,018
Fundraising	1,807,023	-	1,807,023
Total Supporting Services	4,416,041	-	4,416,041
Total Expenses	21,969,094	-	21,969,094
Change in net assets	(1,703,915)	691,001	(1,012,914)
Net assets, beginning of year	36,545,945	7,986,328	44,532,273
Net assets, end of year	\$ 34,842,030	\$ 8,677,329	\$ 43,519,359

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

HEART OF FLORIDA UNITED WAY, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2024

	Program Services					Supporting Services			
	Allocation Services	Ryan White	211 and Crisis Services	Other Program Services	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Allocations - campaign	\$ 4,394,051	\$ -	\$ -	\$ -	\$ 4,394,051	\$ -	\$ -	\$ -	\$ 4,394,051
Less donor designations	(1,747,390)	-	-	-	(1,747,390)	-	-	-	(1,747,390)
Allocations	2,646,661	-	-	-	2,646,661	-	-	-	2,646,661
Salaries	1,399,442	402,849	3,170,393	391,637	5,364,321	1,426,348	839,704	2,266,052	7,630,373
Payroll taxes and other employee benefits	409,052	126,930	803,389	98,204	1,437,575	328,403	208,007	536,410	1,973,985
Retirement plan	52,971	19,570	103,401	9,001	184,943	55,510	12,315	67,825	252,768
Total salaries and related expenses	1,861,465	549,349	4,077,183	498,842	6,986,839	1,810,261	1,060,026	2,870,287	9,857,126
Emergency homelessness services	-	-	-	4,074,278	4,074,278	-	-	-	4,074,278
Referral specialist	-	776,232	-	-	776,232	-	-	-	776,232
Donated advertising	76,998	300	13,319	25,473	116,090	-	400,253	400,253	516,343
Ambulatory - outpatient care	-	503,850	-	-	503,850	-	-	-	503,850
Professional fees	87,157	24,418	156,776	10,518	278,869	140,722	18,557	159,279	438,148
Other program expenses	42,756	-	-	372,710	415,466	-	-	-	415,466
Marketing	-	3,347	-	170,457	173,804	27,508	130,626	158,134	331,938
Depreciation	-	-	-	-	-	223,312	13,699	237,011	237,011
Early intervention services	-	220,426	-	-	220,426	-	-	-	220,426
Telephone	13,447	2,652	182,115	3,742	201,956	6,655	5,348	12,003	213,959
Liability insurance	37,919	9,002	113,047	10,921	170,889	25,747	15,995	41,742	212,631
Case management	-	206,513	-	-	206,513	-	-	-	206,513
Advertising	33,380	993	-	-	34,373	27,137	133,425	160,562	194,935
Campaign expenses	-	-	-	-	-	-	194,100	194,100	194,100
State dues/national dues	-	-	-	75,714	75,714	103,155	10,973	114,128	189,842
Miscellaneous	96,514	5,276	13,901	1,112	116,803	23,616	2,003	25,619	142,422
Computer supplies and maintenance	25,990	2,881	70,325	5,555	104,751	21,976	12,817	34,793	139,544
Oral health care	-	139,180	-	-	139,180	-	-	-	139,180
Building maintenance	19,916	4,003	63,690	6,219	93,828	16,697	8,903	25,600	119,428
Conferences, meetings and training	7,183	36,868	41,810	1,743	87,604	18,764	4,914	23,678	111,282
Transportation	-	109,893	-	-	109,893	-	-	-	109,893
Printing	6,438	4,295	11,302	29,178	51,213	6,979	14,488	21,467	72,680
Utilities	13,325	3,236	39,724	3,838	60,123	6,826	5,484	12,310	72,433
Membership dues	875	-	12,323	1,235	14,433	16,585	25,929	42,514	56,947
Subscriptions and publications	1,829	2,133	14,462	14,434	32,858	14,325	9,064	23,389	56,247
Local transportation	5,361	10,843	7,237	3,853	27,294	7,391	9,264	16,655	43,949
Program evaluation	-	35,969	-	-	35,969	-	-	-	35,969
Office supplies and expenses	2,434	6,273	9,479	3,984	22,170	4,927	1,885	6,812	28,982
Drug reimbursement	-	22,274	-	-	22,274	-	-	-	22,274
Mental health services	-	17,350	-	-	17,350	-	-	-	17,350
Recruiting and relocation	634	408	6,086	557	7,685	6,492	758	7,250	14,935
Shipping	851	73	835	8,778	10,537	713	3,220	3,933	14,470
Health Insurance	-	14,395	-	-	14,395	-	-	-	14,395
Equipment rental and maintenance	2,188	287	6,977	681	10,133	1,812	974	2,786	12,919
Food bank	-	12,593	-	-	12,593	-	-	-	12,593
Postage	964	246	779	145	2,134	1,086	6,914	8,000	10,134
Property taxes	-	-	-	252	252	5,615	360	5,975	6,227
Home health care	-	3,756	-	-	3,756	-	-	-	3,756
Substance abuse services - outpatient	-	292	-	-	292	-	-	-	292
Total Expenses	\$ 4,984,285	\$ 2,729,606	\$ 4,841,370	\$ 5,324,219	\$ 17,879,480	\$ 2,518,301	\$ 2,089,979	\$ 4,608,280	\$ 22,487,760

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

HEART OF FLORIDA UNITED WAY, INC.
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2023

	Program Services					Supporting Services			
	Allocation Services	Ryan White	211 and Crisis Services	Other Program Services	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Allocations - campaign	\$ 4,591,156	\$ -	\$ -	\$ -	\$ 4,591,156	\$ -	\$ -	\$ -	\$ 4,591,156
Less donor designations	(1,687,035)	-	-	-	(1,687,035)	-	-	-	(1,687,035)
Allocations	2,904,121	-	-	-	2,904,121	-	-	-	2,904,121
Salaries	1,304,478	394,769	2,236,138	1,135,801	5,071,186	1,457,122	823,569	2,280,691	7,351,877
Payroll taxes and other employee benefits	359,732	119,727	585,457	249,058	1,313,974	361,091	202,570	563,661	1,877,635
Retirement plan	41,571	18,179	29,830	38,901	128,481	55,949	22,085	78,034	206,515
Total salaries and related expenses	1,705,781	532,675	2,851,425	1,423,760	6,513,641	1,874,162	1,048,224	2,922,386	9,436,027
Emergency homelessness services	-	-	-	4,318,966	4,318,966	-	-	-	4,318,966
Referral specialist	-	673,126	-	-	673,126	-	-	-	673,126
Donated advertising	-	-	-	175,614	175,614	-	317,897	317,897	493,511
Professional fees	77,845	10,925	98,903	94,586	282,259	168,945	19,239	188,184	470,443
Ambulatory - outpatient care	-	442,814	-	-	442,814	-	-	-	442,814
Other program expenses	41,810	-	-	337,621	379,431	-	-	-	379,431
Case management	-	289,885	-	-	289,885	-	-	-	289,885
State dues/national dues	-	-	-	124,305	124,305	157,815	1,918	159,733	284,038
Telephone	23,927	5,011	176,285	9,974	215,197	11,593	7,875	19,468	234,665
Depreciation	-	-	-	-	-	207,720	12,229	219,949	219,949
Campaign expenses	-	-	-	-	-	-	217,463	217,463	217,463
Early intervention services	-	199,204	-	-	199,204	-	-	-	199,204
Health insurance	-	192,602	-	-	192,602	-	-	-	192,602
Marketing	-	1,413	-	55,631	57,044	24,560	75,841	100,401	157,445
Computer supplies and maintenance	24,873	4,304	47,011	16,595	92,783	22,013	10,169	32,182	124,965
Conferences, meetings and training	17,065	52,794	14,153	14,579	98,591	11,812	11,923	23,735	122,326
Building maintenance	22,872	4,548	41,994	13,152	82,566	13,336	8,056	21,392	103,958
Transportation	-	84,675	-	-	84,675	-	-	-	84,675
Utilities	17,406	3,568	31,958	7,470	60,402	8,659	5,898	14,557	74,959
Liability insurance	15,269	2,941	28,035	10,383	56,628	9,935	5,525	15,460	72,088
Miscellaneous	22,046	3,053	13,222	1,211	39,532	25,783	1,161	26,944	66,476
Printing	5,866	490	7,424	25,210	38,990	9,354	11,550	20,904	59,894
Staff development/training	3,840	14,501	12,190	816	31,347	14,271	4,184	18,455	49,802
Local transportation	6,058	7,120	1,355	13,891	28,424	6,067	12,307	18,374	46,798
Membership dues	975	-	1,585	10,281	12,841	6,350	24,283	30,633	43,474
Subscriptions and publications	3,364	2,188	2,782	21,295	29,629	7,735	5,155	12,890	42,519
Mental health services	-	32,137	-	-	32,137	-	-	-	32,137
Office supplies and expenses	3,544	2,556	10,532	5,661	22,293	5,632	1,405	7,037	29,330
Advertising	542	60	-	13,031	13,633	7,276	1,295	8,571	22,204
Oral health care	-	21,431	-	-	21,431	-	-	-	21,431
Equipment rental and maintenance	2,933	2,171	5,385	1,259	11,748	2,644	1,064	3,708	15,456
Food bank	-	11,804	-	-	11,804	-	-	-	11,804
Recruiting and relocation	439	-	-	82	521	8,620	-	8,620	9,141
Property taxes	-	-	-	3,880	3,880	2,167	356	2,523	6,403
Drug reimbursement	-	4,907	-	-	4,907	-	-	-	4,907
Shipping	167	7	412	804	1,390	778	1,715	2,493	3,883
Postage	583	184	106	253	1,126	1,299	291	1,590	2,716
Home health services	-	2,100	-	-	2,100	-	-	-	2,100
Emergency financial assistance	-	1,466	-	-	1,466	-	-	-	1,466
Loss on disposal of fixed assets	-	-	-	-	-	492	-	492	492
Total Expenses	\$ 4,901,326	\$ 2,606,660	\$ 3,344,757	\$ 6,700,310	\$ 17,553,053	\$ 2,609,018	\$ 1,807,023	\$ 4,416,041	\$ 21,969,094

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

HEART OF FLORIDA UNITED WAY, INC.
STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ 2,053	\$ (1,012,914)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	237,011	219,949
Provision for uncollectible pledges	(367,622)	(510,295)
Net realized and unrealized gains on investments	(1,618,304)	(551,214)
Changes in operating assets and liabilities:		
Campaign pledges receivable	1,386,083	275,775
Grants receivable	613,071	(36,366)
Other receivables	88,733	163,858
Prepaid expenses	(170,276)	47,834
Accounts payable	(89,076)	(302,062)
Accrued expenses	92,400	47,451
Campaign pledges due to designated agencies and other United Way organizations	23,525	125,382
Grants payable	(2,578,904)	(151,034)
Unearned revenue	-	1,787,385
Net cash flows from operating activities	<u>(2,381,306)</u>	<u>103,749</u>
Cash flows from investing activities:		
Purchases of property and equipment	(180,595)	(138,418)
Purchases of investments	(34,951,067)	(20,920,295)
Proceeds from sale of investments	<u>32,638,286</u>	<u>4,202,615</u>
Net cash flows from investing activities	<u>(2,493,376)</u>	<u>(16,856,098)</u>
Change in cash	(4,874,682)	(16,752,349)
Cash, beginning of year	<u>11,552,856</u>	<u>28,305,205</u>
Cash, end of year	<u><u>\$ 6,678,174</u></u>	<u><u>\$ 11,552,856</u></u>

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

HEART OF FLORIDA UNITED WAY, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 1—Summary of significant accounting policies

Nature of Organization – United Way organizations have been serving the Central Florida community since 1939. In 1988, the United Ways of Orange, Seminole, and Osceola Counties merged to form Heart of Florida United Way, Inc. (“The United Way” or the “Organization”). The United Way is a not-for-profit corporation designed to improve lives by mobilizing the caring power of our communities. The United Way works with community partners to find long-term systemic change solutions for problems that impact lives. The Organization is governed by a volunteer Board of Directors.

The United Way conducts its annual campaign each year to obtain funds for charitable purposes and for operating expenses of the coming year. Substantially all of the Organization’s campaign contributions are from individuals, businesses, or not-for-profit organizations in the Central Florida area.

The United Way administers the Ryan White program in the Central Florida area, which provides medical care and support services to individuals that are affected by Human Immunodeficiency Virus (“HIV”)/Acquired Immune Deficiency Syndrome (“AIDS”). The United Way receives federal, state, and local grants and administers the distribution of funds to third party service providers on a cost reimbursement basis. Accordingly, grant dollars received and disbursed are included as revenues and expenses in the accompanying statements of activities.

The United Way provides the 211 and 988 Crisis Services for the tri-county region of Orange, Osceola, and Seminole counties along with multiple counties statewide. 211, the three-digit phone number designated by the Federal Communications Commission (“FCC”) in 2000, provides information and referrals to social services offerings, while 988, the three-digit phone number designated by the FCC in 2022, offers crisis and suicide prevention support. Both lines provide community support via text message and web-based chat functions in addition to the three-digit direct dial phone numbers. The United Way facilitates community support through contributions, grants, and fee-for-service contracts.

A summary of the Organization’s significant accounting policies are as follows:

Basis of Presentation – The Organization’s financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Based on the existence or absence of donor-imposed restrictions, the Organization classifies resources into two categories: without donor restrictions and with donor restrictions.

Without Donor Restrictions – Net assets without donor restrictions are free of donor-imposed restrictions. All revenues, gains, and losses that are not restricted by donors are included in this classification. All expenditures are reported in the without donor restrictions class of net assets, including expenditures funded by restricted contributions. Expenditures funded by restricted contributions are reported in the without donor restrictions net asset class because the use of restricted contributions in accordance with donors’ stipulations results in the release of such restrictions.

With Donor Restrictions – Net assets with donor restrictions are limited as to use by donor-imposed stipulations that may expire with the passage of time or that may be satisfied by action of the Organization. Some net assets with donor restrictions are required by donors to be held in perpetuity. The donor of net assets to be held in perpetuity permit the Organization to use the income earned to support either building maintenance or other needs of The United Way.

Cash Equivalents – The Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The Organization did not have any cash equivalents at June 30, 2024 and 2023.

HEART OF FLORIDA UNITED WAY, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 1—Summary of significant accounting policies (continued)

Investments – Investments are reported at fair value (see Note 2) with the exception of hedge funds which are valued at net asset value (“NAV”) as a practical expedient. The estimated fair value of hedge funds is determined by the investment manager utilizing the net asset valuations provided by the underlying asset’s manager or through national exchange prices for securities with a readily determinable value. Due to the inherent uncertainty of these estimates, these values may differ from the values that would have been used had a ready market for these investments existed and the differences could be material. Realized gains and losses are recognized at date of disposition based on the difference between the net proceeds received and the purchased value of the investment sold, using the specific identification method. Unrealized gains and losses are recognized for the change in fair value between reporting periods. Interest and dividend income is recognized when earned. Investment income is included in the change in net assets without donor restrictions, unless its use is time or purpose restricted by donor stipulations or law.

Campaign Pledges Receivable, Campaign Contributions, and Designations – Campaign pledges receivable are unconditional promises received from the annual fundraising campaign and are recorded when the promises to contribute are made, at fair value. The Organization provides an allowance for uncollectible pledges at the time campaign revenues are recorded, based upon management estimates of current economic factors and past experience. Management’s estimates are applied to gross campaign amounts, including donor designations.

Undesignated campaign contributions received for future allocation periods, net of an allowance for uncollectible pledges, are recorded as time restricted support and net assets with donor restrictions. These contributions are released from restriction during the year the allocations to agencies are paid. Pledges received which are designated to a specified agency or to another United Way organization by the donor are not recorded as net campaign revenue. These designations are recorded as a liability when the promise to give is received, net of an allowance for uncollectible pledges.

Grants Receivable and Revenues – The Organization receives various grants from federal, state, and local governmental agencies for program and supporting services. These grants are generally funded on a cost reimbursement basis, wherein revenues are recognized in the accompanying statements of activities when expenses are made for the purpose specified. Alternatively, certain grants are to fund designated services and are not on a cost reimbursement basis. Revenues for these other grants are recognized as funding is received.

By terms of the Organization’s grants, certain funding agencies reserve the right to examine records relating to cost reimbursements. In the event there is a determination of non-qualifying expenditures for which a reimbursement has been made, the funding agency may demand a refund for the appropriate amount. Management of the Organization does not anticipate adjustments to be made for grants. Accordingly, no provision for liability has been made in the accompanying financial statements.

Grants receivable is primarily due from federal, state, and local governmental agencies and are stated at net realizable value. The majority of these receivables relate to reimbursement of subrecipient expenditures, for which grants payable are presented, as well as 211 and Crisis Services support grants.

Other Contributions and Emergency Assistance Funds – Other contributions and emergency assistance funds are recognized as revenue at fair value in the period received in the form of cash or unconditional promises to give. Revenues from contributions may be subject to conditions, in the form of both a barrier to entitlement and refund of amounts paid (or a release from obligation to make future payments). Conditional promises to give are not recognized as revenue until the conditions are substantially met. Other contributions are considered to be available for use without donor restrictions unless specifically restricted by the donor. Other contributions that are designated for future periods, receivables to be collected in future periods or restricted by the donor for specific purposes are reported as revenue with donor restrictions that increase this net asset class. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as released from restriction.

HEART OF FLORIDA UNITED WAY, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 1—Summary of significant accounting policies (continued)

Property and Equipment – Property and equipment is recorded at cost, if purchased, or at fair value on the date received, if donated. Improvements and betterments are capitalized, while repair and maintenance expenditures are presented as expenses.

Depreciation of property and equipment is computed using the straight-line method of accounting over the estimated useful lives of the assets, which range from 3 to 40 years.

The carrying value of property and equipment is reviewed for impairment whenever events or changes in circumstances indicate such value may not be recoverable. Recoverability of assets or asset groups to be held and used is measured by a comparison of the carrying amount of an asset or asset group to future net cash flows expected to be generated by the asset or asset group. If such assets or asset groups are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets or asset groups. Assets or asset groups to be disposed of are reported at the lower of the carrying amount or fair value less cost to sell. No impairment of the Organization's long-lived assets or asset groups have been recognized during the years ended June 30, 2024 and 2023.

Grants Payable – Grants that are allocated to an agency are paid by the Organization to the agency upon the agency's completion of the terms of the agreement signed between the Organization and the agency.

Unearned Revenue – Unearned revenue consists of a cash advance from the Organization's prior payroll provider, TriNet, for the estimated Employee Retention Credit ("ERC") which was filed by TriNet on behalf of the Organization. This amount was provided to the Organization in advance of the Internal Revenue Service's ("IRS") formal processing and acceptance of the ERC. If any amount of the ERC is disallowed by the IRS, the Organization must immediately repay any such amount to TriNet and is, therefore, recorded as a liability.

Functional Expenses – The cost of providing various programs and supporting services have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated amongst the various programs and supporting services benefited. Expenses are allocated among functional categories based on the full-time equivalent allocation method. This method is in accordance with United Way's Worldwide reporting guidelines. The Organization's functional categories are as follows:

Allocation Services – Expenses related to activities in determining allocations to agencies and expenses related to allocations made to agencies.

Ryan White – Expenses related to The United Way's payment of grant monies to the providers of medical and related services to achieve the program objectives of the Ryan White program.

211 and Crisis Services – Expenses related to the operation of 211 service to connect people to essential social services, and the 988 suicide and crisis lifeline to provide mental health and crisis support.

Other Program Services – Expenses related to emergency assistance to individuals and organizations, and other internally managed programs.

Management and General – All other functional expenses of the Organization not related to allocation services, the Ryan White program, call center, other program services, or fundraising expenses.

Fundraising – Expenses related to the Organization's efforts at raising money for The United Way.

HEART OF FLORIDA UNITED WAY, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 1—Summary of significant accounting policies (continued)

Contributed Services – Contributed services are reported at fair value in the financial statements for voluntary donations of services when those services (1) create or enhance non-financial assets or (2) require specialized skills provided by individuals possessing those skills and are services which would be typically purchased if not provided by donation. During the years ended June 30, 2024 and 2023, the Organization recorded contributed services of \$496,815 and \$492,226, respectively, which represent donated advertising, theme park services, video editing, photography and catering and are included in the accompanying statements of activities and statements of functional expenses. The fair value of these donated services was based on comparable sales prices and did not include any donor restrictions. In addition, many individuals volunteer time for administrative and program functions. The value of the volunteered time for these functions is not included in the financial statements because it does not meet the criteria for recognition.

Income Taxes – The Organization is generally exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under similar provisions of the Florida Statutes.

Management believes the Organization continues to satisfy the requirements of a tax-exempt organization at June 30, 2024 and 2023.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and support, and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations of Credit Risk – The Organization's financial instruments that are exposed to concentrations of credit risk consist of cash placed with federally insured financial institutions. The Federal Deposit Insurance Corporation covers all accounts at a single depository institution up to \$250,000. As of June 30, 2024, the Organization had approximately \$6,521,000 in cash in excess of insured amounts. The Organization has not experienced any losses in such accounts.

The Organization received pledges for campaign years 2023 and 2022 from employees and corporate matches of one company that represented approximately 27% and 22% of fiscal 2024 and 2023, respectively, gross campaign results. Substantially all of the Organizations' campaign pledges receivable are due from individuals, businesses, or not-for-profit organizations in the Central Florida area.

HEART OF FLORIDA UNITED WAY, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 2—Investments and fair value measurements

The fair value of investments at June 30 consists of the following:

	2024	2023
Common stocks	\$ -	\$ 1,488,393
Money market funds	4,818,966	6,709,516
U.S. Treasury Notes	11,463,386	10,276,329
Mutual funds:		
Intermediate-term bond fund	5,527,644	3,412,831
Multisector bond	-	2,625,725
Intermediate core-plus bond	2,059,850	1,599,553
Large blend fund	6,498,799	1,577,368
Small blend fund	110,906	809,357
Mid-cap blend fund	422,807	806,143
Foreign large growth	-	550,866
Foreign large blend fund	2,651,230	276,941
Diversified emerging markets fund	409,809	204,092
Health fund	137,993	8,986
Hedge funds at net asset value	494,621	443,751
Total investments - operating	34,596,011	30,789,851
Pooled investment with Central Florida Foundation, Inc.	2,079,870	1,954,945
Total investments	<u>\$ 36,675,881</u>	<u>\$ 32,744,796</u>

The investment return, net for the years ended June 30 consists of the following:

	2024	2023
Interest and dividends	\$ 1,416,605	\$ 1,008,019
Net realized and unrealized gain on investments	1,618,304	551,214
Investment return, net	<u>\$ 3,034,909</u>	<u>\$ 1,559,233</u>

The Organization incurred investment management fees of \$9,528 and \$49,261 for the years ended June 30, 2024 and 2023, respectively. These fees are included in the investment return, net presented above.

The Organization invests in various investment securities in accordance with its investment policy. These investment securities are exposed to various risks such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities and the uncertainty related to changes in their values, it is reasonable to expect that changes in the values of investment securities will occur in the near term and that such changes could materially affect the investment balance.

HEART OF FLORIDA UNITED WAY, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 2—Investments and fair value measurements (continued)

The Organization follows generally accepted accounting principles in the United States of America relating to fair value measurements, which define fair value, establish a framework for measuring fair value in accordance with U.S. GAAP and expand disclosures about fair value measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The accounting principles relating to fair value measurements establish a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. Investments recorded at fair value in the accompanying statements of financial position are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Level inputs, as defined by this guidance, are as follows:

Level 1 – Quoted market prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1, including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data.

Level 3 – Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability.

A summary of financial instruments, measured at fair value in accordance with the measurements described above, as of June 30, is as follows:

Description of Investment	June 30, 2024	Level 1	Level 2	Level 3
Money market funds	\$ 4,818,966	\$ 4,818,966	\$ -	\$ -
Mutual funds	17,819,038	17,819,038	-	-
U.S. Treasury Notes	11,463,386	-	11,463,386	-
Pooled investment with Central Florida Foundation, Inc.	2,079,870	-	-	2,079,870
Subtotal of investments at fair value	36,181,260	22,638,004	11,463,386	2,079,870
Investments measured using NAV	494,621	-	-	-
Total investments	<u>\$ 36,675,881</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Description of Investment	June 30, 2023	Level 1	Level 2	Level 3
Money market funds	\$ 6,709,516	\$ 6,709,516	\$ -	\$ -
Mutual funds	11,871,862	11,871,862	-	-
U.S. Treasury Notes	10,276,329	-	10,276,329	-
Common stocks	1,488,393	1,488,393	-	-
Pooled investment with Central Florida Foundation, Inc.	1,954,945	-	-	1,954,945
Subtotal of investments at fair value	32,301,045	20,069,771	10,276,329	1,954,945
Investments measured using NAV	443,751	-	-	-
Total investments	<u>\$ 32,744,796</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HEART OF FLORIDA UNITED WAY, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 2—Investments and fair value measurements (continued)

The fair value of the pooled investment with Central Florida Foundation, Inc. (the “Foundation”) is determined based on the Organization’s allocated share of the Foundation’s investment pool. Information is provided to the Organization by the Foundation’s management in the form of quarterly investment reports and through the Foundation’s annual audit. The pooled investments at the Foundation primarily consist of Level 1 and Level 2 securities. The pooled investment with the Foundation is classified as a Level 3 in the fair value hierarchy at June 30, 2024 and 2023, due to redemption restrictions that cannot occur unless approved by the Foundation’s Board of Directors.

The table below sets forth a summary of the changes in the fair value of the Organization’s Level 3 investment during the years ended June 30.

	Pooled Investment with Central Florida Foundation, Inc.	
	2024	2023
Balance, beginning of year	\$ 1,954,945	\$ 1,892,439
Investment return, net	213,346	148,397
Distributions	(88,421)	(85,891)
Balance, end of year	<u>\$ 2,079,870</u>	<u>\$ 1,954,945</u>

The hedge fund accounts are not available in an exchange or an active market; however, as a practical expedient, the fair value is determined based on NAV of the underlying assets as traded in an exchange or active market. No shareholder has the right to require the funds to redeem their shares. There is no public market for shares, and none is expected to develop. Consequently, shareholders may not be able to liquidate their investment other than as a result of repurchase of shares by the funds. There are no unfunded commitments.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 3—Grants receivable

Grants receivable at June 30 consist of the following and are due in less than one year:

	2024	2023
Federal Emergency Management Agency	\$ 391,911	\$ 505,923
Florida Department of Health	355,538	477,769
Orange County	200,096	474,320
Department of Children and Families	238,253	215,372
Orlando Health	105,857	177,406
United Way Suncoast	78,717	128,228
United Way of Greater Nashville	59,135	74,263
Other	321,383	310,680
	<u>\$ 1,750,890</u>	<u>\$ 2,363,961</u>

HEART OF FLORIDA UNITED WAY, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 4—Property and equipment

Property and equipment at June 30 are summarized as follows:

	<u>Useful Lives</u>	<u>2024</u>	<u>2023</u>
Land		\$ 275,000	\$ 275,000
Building and improvements	5 - 40 Years	5,649,860	5,599,918
Furniture and equipment	5 - 10 Years	91,643	91,643
Computer equipment	3 - 5 Years	656,837	546,262
Vehicles	3 Years	36,308	36,308
		6,709,648	6,549,131
Less accumulated depreciation		(3,622,168)	(3,405,235)
		<u>\$ 3,087,480</u>	<u>\$ 3,143,896</u>

Note 5—Contribution revenue

The Organization received a \$20,000,000 transformational non-recurring contribution from one donor during the fiscal year ended June 30, 2021, substantially increasing the Organization's net assets without donor restrictions.

The Organization's activities related to the contribution in subsequent fiscal years are as follows:

Fiscal Year Ended June 30, 2022 – \$4,470,832 of the contribution was committed to operational and community development initiatives, of which \$3,000,000 was included in grants payable, resulting in a fiscal 2022 reduction in net assets without donor restrictions.

Fiscal Year Ended June 30, 2023 – \$200,000 remained in grants payable from fiscal 2022 and \$1,026,556 was utilized for operational support.

Fiscal Year Ended June 30, 2024 – \$190,000 remained in grants payable from fiscal 2022 and \$175,857 was used for new fundraising and profile building initiatives.

Future financial statements will be impacted to the extent proceeds of the remaining \$14,326,755 from this contribution are used in subsequent years.

Note 6—Retirement plan

The Organization has a defined contribution 401(k) Profit-Sharing Plan (the "Plan"). All employees who meet certain age and service requirements are eligible to participate in the Plan. The Plan provides for salary reduction contributions from employees and the Organization contributed 5% of an employees' annual compensation up to the federal tax limit according to the Internal Revenue Code. Contributions to this Plan, including administrative expenses, for the years ended June 30, 2024 and 2023 were \$252,768 and \$206,515, respectively.

HEART OF FLORIDA UNITED WAY, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 7—Net assets without donor restrictions

Net assets without donor restrictions at June 30 are available for the following purposes:

	2024	2023
Pooled investment with CentralFlorida Foundation, Inc.	\$ 2,079,870	\$ 1,954,945
Property and equipment, net	3,087,480	3,143,896
General operating	32,692,260	29,743,189
Net assets without donor restrictions	<u>\$ 37,859,610</u>	<u>\$ 34,842,030</u>

Note 8—Net assets with donor restrictions

Net assets with donor restrictions are available for the following purposes as of June 30:

	2024	2023
Subject to expenditure for specified purpose or passage of time:		
Net undesignated campaign contributions received for future allocation periods	\$ 4,589,982	\$ 7,488,749
211 and crisis services grants	<u>271,820</u>	<u>388,580</u>
	4,861,802	7,877,329
Subject to the restrictions in perpetuity:		
Building and operational endowment	<u>800,000</u>	<u>800,000</u>
Net assets with donor restrictions	<u>\$ 5,661,802</u>	<u>\$ 8,677,329</u>

Note 9—Endowment funds

The United Way has interpreted the *Florida Uniform Management of Institutional Funds Act* of 2003 and its successor enacted law, the *Florida Uniform Prudent Management of Institutional Funds Act*, effective July 1, 2012, as requiring the preservation of the historic dollar value of the original gift as of the gift date of the donor restricted endowment funds, absent explicit donor stipulation to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions the original value of gifts donated to the endowment to be held in perpetuity.

The United Way endowment to be held in perpetuity consists of a donation received in the amount of \$800,000 at June 30, 2024 and 2023, which is restricted by the donor to investment in perpetuity. The income from these invested funds is classified as without donor restrictions since it is expendable to support either building maintenance or other needs of The United Way.

The United Way also has an endowment for board-designated funds to support the mission of the Organization. The designation does not specify a spending policy. Since this is an internal designation consisting of a pooled investment with the Foundation, and is not donor-restricted, the designation is classified and reported as net assets without donor restrictions.

Annual distributions of earnings may occur upon request of United Way. The distribution of principal from the Organization's investment with the Foundation can be requested by The United Way's Board of Directors, subject to the occurrence of a dire emergency or disaster with community-wide impact, as well as with the approval of the Foundation's Board of Directors. As such, the pooled investment in the Foundation is not considered to be a liquid asset of the Organization.

HEART OF FLORIDA UNITED WAY, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 9—Endowment funds (continued)

The endowment net assets and activity for fiscal years as of June 30 consist of the following:

	Without Donor Restrictions		With Donor Restrictions	
	Board-designated	Building and Operational	Perpetual in Nature	Total
Endowment fund balance as of June 30, 2022	\$ 1,892,439	\$ 543,691	\$ 800,000	\$ 3,236,130
Distributions	(85,891)	-	-	(85,891)
Investment returns, net	148,397	106,298	-	254,695
Endowment fund balance as of June 30, 2023	1,954,945	649,989	800,000	3,404,934
Distributions	(88,421)	-	-	(88,421)
Investment returns, net	213,346	172,960	-	386,306
Endowment fund balance as of June 30, 2024	<u>\$ 2,079,870</u>	<u>\$ 822,949</u>	<u>\$ 800,000</u>	<u>\$ 3,702,819</u>

Note 10—Liquidity and availability of resources

The following table reflects the Organization's financial assets as of June 30, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

	2024	2023
Cash	\$ 6,678,174	\$ 11,552,856
Investments	34,596,011	30,789,851
Campaign pledges receivable, net	1,754,477	2,772,938
Grants receivable	1,750,890	2,363,961
Other receivables	1,250	89,983
Financial assets at the end of the year	44,780,802	47,569,589
Less assets unavailable for general expenditures within one year:		
Restricted by donor with purpose restriction	(800,000)	(800,000)
Campaign pledges due to designated agencies and other United Way organizations	(474,924)	(451,399)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 43,505,878</u>	<u>\$ 46,318,190</u>

For purposes of analyzing resources available to meet general expenditures within one year, the Organization considers all expenditures related to its ongoing activities of improving lives as well as the services undertaken to support those activities to be general expenditures.

HEART OF FLORIDA UNITED WAY, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 10—Liquidity and availability of resources (continued)

Endowment funds consist of a donor-restricted endowment and funds designated by the board as an endowment. Income from the donor-restricted endowment is classified as without donor restriction since it is expendable to support either building maintenance or other needs of The United Way. The board designated endowment does not specify a spending policy. The Organization does not intend to spend from the board designated endowment and has not included the funds as financial assets available in the table above. However, these amounts could be made available, if necessary. These funds are invested in money market funds, mutual funds, and pooled investments.

Note 11—Subsequent events

Management has assessed subsequent events and determined there were no events requiring recognition or disclosure through November 14, 2024, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

HEART OF FLORIDA UNITED WAY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2024

<u>Grantor/Pass-Through/Program Total</u>	<u>Contract Award Number</u>	<u>Assistance Listing #</u>	<u>Total Federal Expenditures</u>	<u>Portion Expended by Subrecipients</u>
Federal Awards:				
U.S. Department of the Treasury				
Volunteer Income Tax Assistance	23VITA-0199	21.009	\$ 74,733	\$ -
COVID-19 Seminole County ARPA	SLT-0548	21.027	22,586	-
Total U.S. Department of the Treasury			<u>97,319</u>	<u>-</u>
U.S. Department of Health and Human Services				
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	SM084816	93.243	<u>193,630</u>	<u>-</u>
Passed through Orange County: HIV Care Formula Grants (Ryan White HIV/AIDS Planning Council)	Y23-1008	93.914	<u>297,771</u>	<u>-</u>
Passed through Florida Department of Health:				
HIV Care Formula Grants (Ryan White HIV/AIDS Program Part B)	CODTZ-R1	93.917	1,264,717	1,067,658
HIV Care Formula Grants (Ryan White HIV/AIDS Program Part B)	CODTZ-R1-A1	93.917	534,240	472,396
HIV Care Formula Grants (Ryan White HIV/AIDS Program General Revenue)	CODUJ	93.917	618,234	522,666
			<u>2,417,191</u>	<u>2,062,720</u>
Passed through Central Florida Cares Health System: Block Grant for Community Mental Health Services	UW224	93.958	<u>2,920,461</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>5,829,053</u>	<u>2,062,720</u>
U.S. Department of Homeland Security				
Passed through the Emergency Food and Shelter National Board:				
	39-1680-00, 39-1684-00, 39-1718-00, 40-1680-00, 40-1684-00, 40-1718-00	97.024	1,389,600	1,361,819
Emergency Food and Shelter National Board Program	ARPAR-1680-00, ARPAR-1684-00, ARPAR-1718-00	97.024	<u>1,852,071</u>	<u>1,815,044</u>
COVID-19 Emergency Food and Shelter National Board Program			3,241,671	3,176,863
Passed through the Federal Emergency Management Agency: COVID-19 Mental Health Disaster Assistance and Emergency Mental Health	LH854	93.982	<u>271,605</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>3,513,276</u>	<u>3,176,863</u>
Total Federal Awards			<u>\$ 9,439,648</u>	<u>\$ 5,239,583</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

HEART OF FLORIDA UNITED WAY, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2024

Note 1—Basis of presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the Heart of Florida United Way, Inc. (the "Organization") under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of the U.S. Office of Management and Budget's Uniform Guidance. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Note 2—Summary of significant accounting policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting, however, subrecipient expenditures are included when paid. 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. Pass-through entity identifying numbers (contract or award number) are presented where available.

The Organization elected to use the 10% de minimis indirect cost rate.

OTHER REPORTS AND SCHEDULES

**Report of Independent Auditor 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
Heart of Florida United Way, Inc.
Orlando, Florida

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 Heart of Florida United Way, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, 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 November 14, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Heart of Florida United Way, Inc.'s internal control over financial reporting ("internal control") as a basis for designing the 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 Heart of Florida United Way, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Heart of Florida United Way, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Heart of Florida United Way, Inc.'s financial statements are free from 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 Heart of Florida United Way, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Heart of Florida United Way, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Cherry Bekaert LLP". The script is cursive and fluid, with the letters "Cherry" and "Bekaert" being more prominent than "LLP".

Orlando, Florida
November 14, 2024

Report of Independent Auditor on Compliance for the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors
Heart of Florida United Way, Inc.
Orlando, Florida:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Heart of Florida United Way, Inc.'s (the "Organization") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Organization's major federal program for the year ended June 30, 2024. The Organization's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on the 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 the Organization 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 the major federal program. Our audit does not provide a legal determination of the Organization'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 the Organization's federal program.

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 the Organization'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 the Organization's compliance with the requirements of its 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 the Organization'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 the Organization'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 the Organization'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.

Report on Internal Control over Compliance

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 a 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.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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.

Cherry Bekaert LLP

Orlando, Florida
November 14, 2024

HEART OF FLORIDA UNITED WAY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARDS PROGRAMS

YEAR ENDED JUNE 30, 2024

Part I—Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:	<u>Unmodified</u>		
Internal control over financial reporting:			
Material weakness(es) identified?	<u> </u> yes	<u> x </u> no	
Significant deficiency(ies) identified?	<u> </u> yes	<u> x </u> none reported	
Noncompliance material to financial statements noted?	<u> </u> yes	<u> x </u> no	

Federal Awards Section

Internal control over major programs:			
Material weakness(es) identified?	<u> </u> yes	<u> x </u> no	
Significant deficiency(ies) identified?	<u> </u> yes	<u> x </u> none reported	
Type of auditor's report on compliance for major federal programs:	<u>Unmodified</u>		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)	<u> </u> yes	<u> x </u> no	

Identification of major programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
97.024	Emergency Food and Shelter Program

Dollar threshold used to determine Type A programs:	
Federal	\$ 750,000
Auditee qualified as low-risk auditee for federal purposes?	<u> x </u> yes <u> </u> no

HEART OF FLORIDA UNITED WAY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARDS PROGRAMS (CONTINUED)

YEAR ENDED JUNE 30, 2024

Part II—Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no financial statement findings required to be reported in accordance with *Government Auditing Standards*.

Part III—Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of major federal programs, as required to be reported by Uniform Guidance.

There were no findings required to be reported by 2 CFR section 200.516(a).

HEART OF FLORIDA UNITED WAY, INC.

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN
FEDERAL AWARDS PROGRAMS**

YEAR ENDED JUNE 30, 2024

Summary of Prior Year Findings

There were no findings required to be reported by 2 CFR Section 200.516(a) in the prior year.

Corrective Action Plan

There are no audit findings reported in the Schedule of Findings and Questioned Costs for the year ended June 30, 2024; therefore, a Corrective Action Plan is not required.