

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

FINANCIAL STATEMENTS

For the Years Ended June 30, 2021 and 2020

And Report of Independent Auditor

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

The Board of Directors
Heart of Florida United Way, Inc.
Orlando, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Heart of Florida United Way, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Heart of Florida United Way, Inc. as of June 30, 2021 and 2020, 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.

Other Matters

Other Information

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* (CFR) 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 18, 2021, 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.



Orlando, Florida
November 18, 2021

FINANCIAL STATEMENTS

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

JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$ 31,779,122	\$ 15,437,591
Investments - operating	15,375,783	10,140,864
Campaign pledges receivable, less allowance for uncollectible pledges of \$2,080,241 and \$2,714,588 in 2021 and 2020, respectively	2,546,298	2,503,671
Grants receivable	2,133,809	1,278,232
Other receivables	290,144	145,490
Prepaid expenses	123,475	90,708
Property and equipment, net	3,235,019	3,346,592
Pooled investment with Central Florida Foundation, Inc.	2,175,707	1,769,487
Total Assets	<u><u>\$ 57,659,357</u></u>	<u><u>\$ 34,712,635</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 1,010,133	\$ 678,282
Accrued expenses	443,314	569,376
Campaign pledges due to designated agencies and other United Way organizations	360,480	929,439
Grants payable	4,375,587	1,827,430
Loan payable	1,178,200	1,178,200
Total Liabilities	<u>7,367,714</u>	<u>5,182,727</u>
NET ASSETS		
Without donor restrictions	42,552,297	19,993,937
With donor restrictions	7,739,346	9,535,971
Total Net Assets	<u>50,291,643</u>	<u>29,529,908</u>
Total Liabilities and Net Assets	<u><u>\$ 57,659,357</u></u>	<u><u>\$ 34,712,635</u></u>

HEART OF FLORIDA UNITED WAY, INC.
STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Gross campaign and initiative results applicable to current period received in prior periods and now released from restriction	\$ 10,699,793	\$ (10,699,793)	\$ -
Donor designations	(2,566,253)	2,566,253	-
Provision for uncollectible pledges	(1,440,942)	1,299,002	(141,940)
Total Net Campaign Revenue for Current Period	6,692,598	(6,834,538)	(141,940)
Gross workplace campaign and initiative results received for future allocation periods	-	9,742,745	9,742,745
Less donor designations	-	(2,461,942)	(2,461,942)
Less provision for uncollectible pledges	-	(1,075,627)	(1,075,627)
Total Net Campaign Revenue for Future Allocation Periods	-	6,205,176	6,205,176
Contributions	20,101,741	-	20,101,741
Grant and contract revenues	9,262,761	-	9,262,761
COVID-19 recovery fund contributions	-	306,475	306,475
Donated advertising	490,394	-	490,394
Other revenues	572,459	-	572,459
Emergency assistance funds	-	302,296	302,296
211 grants	-	1,466,655	1,466,655
Funds released from restriction	3,242,689	(3,242,689)	-
Investment return, net	3,048,370	-	3,048,370
Total Revenues and Support	43,411,012	(1,796,625)	41,614,387
EXPENSES			
Program Services:			
Allocation services	5,608,308	-	5,608,308
Ryan White	2,665,663	-	2,665,663
Other program services	9,848,149	-	9,848,149
Total Program Expenses	18,122,120	-	18,122,120
Supporting Services:			
Management and general	1,721,369	-	1,721,369
Campaign	1,009,163	-	1,009,163
Total Supporting Services	2,730,532	-	2,730,532
Total Expenses	20,852,652	-	20,852,652
Increase (Decrease) in Net Assets	22,558,360	(1,796,625)	20,761,735
Net Assets			
Beginning	19,993,937	9,535,971	29,529,908
Ending	\$ 42,552,297	\$ 7,739,346	\$ 50,291,643

See accompanying Notes to Financial Statements.

HEART OF FLORIDA UNITED WAY, INC.
STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Gross campaign and initiative results applicable to current period received in prior periods and now released from restriction	\$ 14,506,813	\$ (14,506,813)	\$ -
Donor designations	(3,233,456)	3,233,456	-
Provision for uncollectible pledges	(206,705)	912,787	706,082
Total Net Campaign Revenue for Current Period	11,066,652	(10,360,570)	706,082
Gross workplace campaign and initiative results received for future allocation periods	-	10,699,793	10,699,793
Less donor designations	-	(2,566,253)	(2,566,253)
Less provision for uncollectible pledges	-	(1,299,002)	(1,299,002)
Total Net Campaign Revenue for Future Allocation Periods	-	6,834,538	6,834,538
Grant and contract revenues	6,078,585	-	6,078,585
COVID-19 recovery fund contributions	-	1,847,869	1,847,869
Donated advertising	532,234	-	532,234
Contributions	134,636	-	134,636
Other revenues	409,221	-	409,221
Emergency assistance funds	-	344,527	344,527
211 grants	-	584,086	584,086
Funds released from restriction	1,745,720	(1,745,720)	-
Investment return, net	512,437	-	512,437
Total Revenues and Support	20,479,485	(2,495,270)	17,984,215
EXPENSES			
Program Services:			
Allocation services	5,590,465	-	5,590,465
Ryan White	2,658,796	-	2,658,796
Other program services	6,176,003	-	6,176,003
Total Program Expenses	14,425,264	-	14,425,264
Supporting Services:			
Management and general	1,948,983	-	1,948,983
Campaign	1,107,187	-	1,107,187
Total Supporting Services	3,056,170	-	3,056,170
Total Expenses	17,481,434	-	17,481,434
Increase (Decrease) in Net Assets	2,998,051	(2,495,270)	502,781
Net Assets			
Beginning	16,995,886	12,031,241	29,027,127
Ending	\$ 19,993,937	\$ 9,535,971	\$ 29,529,908

See accompanying Notes to Financial Statements.

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

YEAR ENDED JUNE 30, 2021

	2021							
	Program Services			Supporting Services				
	Allocation Services	Ryan White	Other Program Services	Total Program Services	Management and General	Campaign	Total Supporting Services	Total Expenses
Gross campaign to agencies	\$ 5,386,696	\$ -	\$ -	\$ 5,386,696	\$ -	\$ -	\$ -	\$ 5,386,696
Less donor designations	(1,917,220)	-	-	(1,917,220)	-	-	-	(1,917,220)
Campaign allocations to agencies	3,469,476	-	-	3,469,476	-	-	-	3,469,476
Salaries	1,325,694	340,316	1,872,374	3,538,384	892,080	564,744	1,456,824	4,995,208
Payroll taxes and other employee benefits	381,235	97,122	501,829	980,186	227,224	164,040	391,264	1,371,450
Retirement plan	40,181	13,559	65,084	118,824	37,908	5,035	42,943	161,767
Total salaries and related expenses	1,747,110	450,997	2,439,287	4,637,394	1,157,212	733,819	1,891,031	6,528,425
Emergency homelessness services	-	-	6,208,727	6,208,727	-	-	-	6,208,727
Medical and non-medical case management	-	861,837	-	861,837	-	-	-	861,837
Donated advertising	-	-	346,485	346,485	-	143,909	143,909	490,394
Professional fees	61,467	6,227	181,719	249,413	109,459	15,300	124,759	374,172
Ambulatory/outpatient medical care (AOMC)	-	365,401	-	365,401	-	-	-	365,401
Oral health care	-	278,913	-	278,913	-	-	-	278,913
Other program expenses	-	-	254,545	254,545	-	-	-	254,545
Telephone	177,272	6,183	52,619	236,074	7,164	6,464	13,628	249,702
Health insurance premium/cost sharing	-	244,448	-	244,448	-	-	-	244,448
State and national dues	-	-	88,290	88,290	143,240	12,388	155,628	243,918
Depreciation	-	-	-	-	183,573	16,788	200,361	200,361
Early intervention services	-	182,260	-	182,260	-	-	-	182,260
Computer supplies and maintenance	41,026	2,497	54,152	97,675	27,363	9,532	36,895	134,570
Medical transportation services	-	95,220	-	95,220	-	-	-	95,220
Promotional activities	-	-	42,288	42,288	22,896	7,397	30,293	72,581
Mental health services	-	72,232	-	72,232	-	-	-	72,232
Advertising	-	52	45,378	45,430	1,622	11,766	13,388	58,818
Building maintenance	27,334	28	15,804	43,166	4,945	4,399	9,344	52,510
Liability insurance	22,397	3,511	15,686	41,594	5,779	3,907	9,686	51,280
Utilities	23,464	4,223	13,561	41,248	4,243	3,783	8,026	49,274
Membership dues	1,835	-	19,403	21,238	11,997	3,750	15,747	36,985
Equipment rental and maintenance	14,833	353	10,063	25,249	3,773	2,460	6,233	31,482
Program evaluation	-	31,301	-	31,301	-	-	-	31,301
Staff development and training	11,490	1,138	10,149	22,777	6,560	1,737	8,297	31,074
Conferences and meetings	1,417	10,897	6,705	19,019	1,617	6,671	8,288	27,307
Office supplies	4,450	3,451	11,066	18,967	2,369	3,773	6,142	25,109
Printing	4,153	659	8,306	13,118	2,135	7,386	9,521	22,639
Miscellaneous	-	6,989	409	7,398	12,841	860	13,701	21,099
Local transportation	255	857	8,831	9,943	4,377	1,501	5,878	15,821
Food bank	-	14,625	-	14,625	-	-	-	14,625
AIDS pharmaceutical assistance	-	11,890	-	11,890	-	-	-	11,890
Subscriptions and publications	200	231	5,699	6,130	3,013	2,045	5,058	11,188
Substance abuse services - outpatient	-	8,969	-	8,969	-	-	-	8,969
Campaign expenses	-	-	710	710	195	7,652	7,847	8,557
Property taxes	-	-	3,660	3,660	2,309	396	2,705	6,365
Recruiting and relocation	-	-	3,007	3,007	1,672	287	1,959	4,966
Postage and freight	129	274	1,600	2,003	1,015	1,193	2,208	4,211
Total expenses	\$ 5,608,308	\$ 2,665,663	\$ 9,848,149	\$ 18,122,120	\$ 1,721,369	\$ 1,009,163	\$ 2,730,532	\$ 20,852,652

See accompanying Notes to Financial Statements.

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

YEAR ENDED JUNE 30, 2020

	2020							
	Program Services			Supporting Services				
	Allocation Services	Ryan White	Other Program Services	Total Program Services	Management and General	Campaign	Total Supporting Services	Total Expenses
Gross campaign to agencies	\$ 6,707,932	\$ -	\$ -	\$ 6,707,932	\$ -	\$ -	\$ -	\$ 6,707,932
Less donor designations	(3,233,456)	-	-	(3,233,456)	-	-	-	(3,233,456)
Campaign allocations to agencies	3,474,476	-	-	3,474,476	-	-	-	3,474,476
Salaries	1,241,781	368,841	1,766,054	3,376,676	1,021,494	578,536	1,600,030	4,976,706
Payroll taxes and other employee benefits	375,097	129,430	506,941	1,011,468	254,144	173,513	427,657	1,439,125
Retirement plan	61,474	33,408	130,201	225,083	76,984	50,299	127,283	352,366
Total salaries and related expenses	1,678,352	531,679	2,403,196	4,613,227	1,352,622	802,348	2,154,970	6,768,197
Emergency homelessness services	-	-	2,045,210	2,045,210	-	-	-	2,045,210
Medical and non-medical case management	-	573,011	-	573,011	-	-	-	573,011
AIDS pharmaceutical assistance	-	547,131	-	547,131	-	-	-	547,131
Donated advertising	-	-	451,105	451,105	-	81,129	81,129	532,234
Other program expenses	-	-	488,593	488,593	-	-	-	488,593
State and national dues	-	-	152,839	152,839	197,067	17,742	214,809	367,648
Professional fees	65,092	8,310	207,995	281,397	74,836	9,088	83,924	365,321
Early intervention services	-	309,501	-	309,501	-	-	-	309,501
Depreciation	-	-	-	-	193,881	16,569	210,450	210,450
Telephone	172,676	5,158	19,273	197,107	6,081	5,098	11,179	208,286
Food bank	-	145,944	-	145,944	-	-	-	145,944
Ambulatory/outpatient medical care (AOMC)	-	142,660	-	142,660	-	-	-	142,660
Advertising	-	-	141,509	141,509	-	-	-	141,509
Health insurance premium/cost sharing	-	134,066	-	134,066	-	-	-	134,066
Campaign expenses	-	-	-	-	-	110,085	110,085	110,085
Computer supplies and maintenance	47,624	3,453	25,410	76,487	17,195	7,185	24,380	100,867
Building maintenance	45,674	3,559	26,247	75,480	9,572	7,306	16,878	92,358
Medical transportation services	-	91,676	-	91,676	-	-	-	91,676
Medical nutritional therapy	-	64,103	-	64,103	-	-	-	64,103
Utilities	30,001	4,999	17,193	52,193	6,019	4,788	10,807	63,000
Promotional activities	-	-	32,800	32,800	19,539	7,231	26,770	59,570
Office supplies	15,488	3,513	25,674	44,675	7,741	3,603	11,344	56,019
Membership dues	1,360	-	28,611	29,971	15,139	6,858	21,997	51,968
Liability insurance	22,120	3,375	16,001	41,496	6,495	3,844	10,339	51,835
Printing	12,341	1,615	19,566	33,522	3,246	6,601	9,847	43,369
Local transportation	1,863	10,009	15,522	27,394	5,545	5,316	10,861	38,255
Conferences and meetings	1,364	7,987	18,660	28,011	4,625	2,167	6,792	34,803
Oral health care	-	33,640	-	33,640	-	-	-	33,640
Equipment rental and maintenance	12,837	835	9,402	23,074	2,416	2,036	4,452	27,526
Staff development and training	8,864	498	6,849	16,211	6,402	4,367	10,769	26,980
Miscellaneous	-	7,072	2,536	9,608	13,768	2,078	15,846	25,454
Home health care	-	17,770	-	17,770	-	-	-	17,770
Gifts-in-kind program	-	-	13,047	13,047	-	-	-	13,047
Property taxes	-	-	3,390	3,390	2,383	338	2,721	6,111
Program evaluation	-	5,649	-	5,649	-	-	-	5,649
Recruiting and relocation	-	75	2,997	3,072	2,177	303	2,480	5,552
Postage and freight	333	1,024	958	2,315	1,512	880	2,392	4,707
Subscriptions and publications	-	484	1,420	1,904	722	227	949	2,853
Total expenses	\$ 5,590,465	\$ 2,658,796	\$ 6,176,003	\$ 14,425,264	\$ 1,948,983	\$ 1,107,187	\$ 3,056,170	\$ 17,481,434

See accompanying Notes to Financial Statements.

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

YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities		
Increase in net assets	\$ 20,761,735	\$ 502,781
Adjustments to reconcile increase in net assets to net cash used by operating activities:		
Depreciation	200,361	210,450
Provision for uncollectible pledges	1,217,567	592,920
Gift-in-kind inventory contributions (net of allocations)	-	13,265
Net realized and unrealized gains on investments	(2,350,759)	(103,748)
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Campaign pledges receivable	(1,260,194)	3,242,749
Grants receivable	(855,577)	(16,408)
Other receivables	(144,654)	18,177
Prepaid expenses	(32,767)	76,676
Increase (decrease) in liabilities:		
Accounts payable	331,851	81,919
Accrued expenses	(126,062)	159,205
Campaign pledges due to designated agencies and other United Way organizations	(568,959)	(1,209,330)
Grants payable	2,548,157	1,337,160
Net cash provided by operating activities	<u>19,720,699</u>	<u>4,905,816</u>
Cash Flows From Investing Activities		
Purchases of property and equipment	(88,788)	(36,390)
Purchases of investments	(4,042,319)	(3,306,671)
Proceeds from sale of investments	751,939	3,108,471
Net cash used in investing activities	<u>(3,379,168)</u>	<u>(234,590)</u>
Cash Flows From Financing Activities		
Proceeds from loan	-	1,178,200
Net cash provided by investing activities	<u>-</u>	<u>1,178,200</u>
Net increase in cash	16,341,531	5,849,426
Cash:		
Beginning	15,437,591	9,588,165
Ending	<u>\$ 31,779,122</u>	<u>\$ 15,437,591</u>

See accompanying Notes to Financial Statements.

HEART OF FLORIDA UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

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 also responds to the human service needs within its tri-county jurisdiction of Orange, Seminole, and Osceola counties. The United Way facilitates the integration of the social service system in Central Florida, providing a forum for social service providers, funders, and customers to store and access information to meet each of their needs. The United Way developed a telephone information service known as 2-1-1 Community Information and Referral (“2-1-1”), designated by the Public Service Commission as the three digit dialing code nationwide for access to community human service information and referral. Additionally, the United Way facilitates community support through collection of public contributions and expenditure on designated activities.

A summary of the Organization’s significant accounting policies 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 (“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.

HEART OF FLORIDA UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

Note 1 - Summary of significant accounting policies (continued)

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, 2021 and 2020.

Investments: Investments are reported at fair value (see Note 2). 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.

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.

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.

HEART OF FLORIDA UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

Note 1 - Summary of significant accounting policies (continued)

Grants receivable are 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 2-1-1 support grants.

Property and Equipment: Property and equipment are 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, 2021 and 2020.

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 ("FTE") allocation method. This method is in accordance with United Way Worldwide's 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.

Other program services – Expenses related to information and referral services and emergency assistance to individuals and organizations.

Management and general – All other functional expenses of the Organization not related to allocation services, the Ryan White program, other program services, or campaign expenses.

Campaign – Expenses related to the Organization's efforts at raising money for The United Way fundraising campaign held each year.

HEART OF FLORIDA UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

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, 2021 and 2020, the Organization recorded contributed services of \$490,394 and \$532,234, respectively, which represents donated advertising and is included in the accompanying statements of activities and functional expenses. 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 that the Organization continues to satisfy the requirements of a tax-exempt organization at June 30, 2021 and 2020.

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. Such accounts may at times exceed federally insured limits. The Organization has not experienced any losses on such accounts.

The Organization received pledges for campaign years 2020 and 2019 from employees and corporate matches of one company that represented approximately 27% of fiscal 2021 and approximately 23% of fiscal 2020 gross campaign results, respectively. Substantially all of the Organizations' campaign pledges receivable are due from individuals, businesses, or not-for-profit organizations in the Central Florida area.

Approximately 99% of all contributions were received from one donor for the year ended June 30, 2021. No donor contributed more than 10% of all contributions for the year ended June 30, 2020.

Economic Environment: During March 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") as a global pandemic which continues to spread throughout the world and has contributed to significant volatility in the financial markets. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the Organization, including the performance of its investments and the collectability of receivables.

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

YEARS ENDED JUNE 30, 2021 AND 2020

Note 2 – Investments and Fair Value Measurements

The fair value of investments at June 30, 2021 and 2020 consists of the following:

	<u>2021</u>	<u>2020</u>
Money market funds	\$ 179,084	\$ 138,929
Mutual funds:		
Intermediate term bond fund	4,904,486	2,990,650
Large blend fund	3,605,309	2,593,034
Intermediate core-plus bond	1,682,708	1,035,983
Multisector bond fund	1,206,993	809,405
Small blend fund	1,068,113	608,464
Mid-cap blend fund	704,341	594,630
Foreign large blend fund	777,334	557,102
Ultrashort bond	604,712	278,290
Diversified emerging markets fund	262,184	199,714
Hedge funds at net asset value	380,519	334,663
Total investments - operating	<u>15,375,783</u>	<u>10,140,864</u>
Pooled investment with Central Florida Foundation, Inc.	2,175,707	1,769,487
Total investments	<u>\$ 17,551,490</u>	<u>\$ 11,910,351</u>

The investment return, net for the years ended June 30, 2021 and 2020 consists of the following:

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 697,611	\$ 408,689
Net realized and unrealized gain on investments	2,350,759	103,748
Investment return, net	<u>\$ 3,048,370</u>	<u>\$ 512,437</u>

HEART OF FLORIDA UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

Note 2 – Investments and Fair Value Measurements (continued)

The Organization incurred investment management fees of \$70,806 and \$64,095 for the years ended June 30, 2021 and 2020, 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.

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 accounting principles generally accepted in the United States of America 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 Input	Input Definition
Level I	Quoted market prices in active markets for identical assets or liabilities
Level II	Observable inputs other than Level I, 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 III	Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability.

Fair value of money market and mutual funds are based on quoted market prices, presented as Level I in the fair value hierarchy at June 30, 2021 and 2020.

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 Foundation 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 I and Level II securities. The pooled investment with the Foundation is classified as a Level III in the fair value hierarchy at June 30, 2021 and 2020, due to redemption restrictions that cannot occur unless approved by the Foundation Board of Directors.

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

YEARS ENDED JUNE 30, 2021 AND 2020

Note 2 – Investments and Fair Value Measurements (continued)

The table below sets forth a summary of the changes in the fair value of the Organization's Level III investment during the years ended June 30, 2021 and 2020.

	<u>2021</u>	<u>2020</u>
	Pooled Investment with Central Florida Foundation, Inc.	Pooled Investment with Central Florida Foundation, Inc.
Balance, beginning of year	\$ 1,769,487	\$ 1,801,122
Investment return, net	488,794	47,748
Distributions	(82,574)	(79,383)
Balance, end of year	<u>\$ 2,175,707</u>	<u>\$ 1,769,487</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 the Net Asset Value ("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, 2021 and 2020 consist of the following and are due in less than one year:

	<u>2021</u>	<u>2020</u>
Orange County	\$ 414,979	\$ 247,046
Florida Department of Health	373,857	377,170
Federal Emergency Management Agency	304,228	-
Orlando Health	192,999	-
United Way Suncoast	142,226	65,800
United States Department of the Treasury	109,928	113,457
United Way Nashville	86,120	-
Department of Children and Families	85,647	63,264
Children's Forum	37,358	22,601
Disaster Distress Helpline Link2Health	32,713	252,713
Other	353,754	136,181
	<u>\$ 2,133,809</u>	<u>\$ 1,278,232</u>

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

YEARS ENDED JUNE 30, 2021 AND 2020

Note 4 – Property and Equipment

Property and equipment at June 30, 2021 and 2020 are summarized as follows:

	Useful Lives	2021	2020
	(Years)	2021	2020
Land		\$ 275,000	\$ 275,000
Building and improvements	5 - 40	5,551,530	5,528,726
Furniture and equipment	5 - 10	130,807	130,807
Computer equipment	3 - 5	886,615	820,631
Vehicles	3	36,308	36,308
		6,880,260	6,791,472
Less accumulated depreciation		(3,645,241)	(3,444,880)
		<u>\$ 3,235,019</u>	<u>\$ 3,346,592</u>

Note 5 – Indebtedness

On April 17, 2020, the Organization was granted a loan from Truist Bank in the amount of \$1,178,200, pursuant to the Paycheck Protection Program (“PPP”) under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act, which was enacted on March 27, 2020. The PPP provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loan and accrued interest are forgivable after eight weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight-week period. The Paycheck Protection Program Flexibility Act of 2020, which became law on June 5, 2020, extended the covered period for loan forgiveness from eight weeks after the date of loan disbursement to 24 weeks after the date of loan disbursement, providing substantially greater flexibility for borrowers to qualify for loan forgiveness. Subsequent to year-end on August 6, 2021, the entire loan balance was formally forgiven. The entire loan balance is recorded as a liability at June 30, 2021, and will be eliminated and recognized as a gain on loan extinguishment through forgiveness during fiscal 2022.

Loan payable payments for the years subsequent to June 30, 2021 are as follows:

Year Ending June 30,	Scheduled PPP Loan Payable Payments
2022	\$ 540,008
2023	638,192
Total	<u>\$ 1,178,200</u>

HEART OF FLORIDA UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

Note 6 – Contribution Revenue

As referenced in the Concentration of Credit Risk Note 1 on page 12, the Organization received a transformational non-recurring contribution from one donor. Due to the unconditional nature of the contribution, the gift was fully recognized as revenue during the year ended June 30, 2021. The sizable amount of the contribution significantly increased the Organization's unrestricted net asset position at fiscal 2021. Currently, the Organization is evaluating the best uses of the gift to impact as many lives as possible with substantive and permanent change. Future financial statements will be impacted to the extent proceeds of the gift are used in subsequent years.

Note 7 – 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 10% of an employees' annual compensation up to the federal tax limit according to the Internal Revenue Code. On June 18, 2020, the Board of Directors, at the recommendation of Organization management, approved a decrease in the Organization contribution from 10% to 5%, effective July 1, 2020. Contributions to this Plan, including administrative expenses, for the years ended June 30, 2021 and 2020 were \$161,767 and \$352,366, respectively.

Note 8 – Net Assets without Donor Restrictions

Net assets without donor restrictions at June 30, 2021 and 2020 are available for the following purposes:

	<u>2021</u>	<u>2020</u>
Pooled investment with Central Florida Foundation, Inc.	\$ 2,175,707	\$ 1,769,487
Property and equipment, net	3,235,019	3,346,592
General operating	37,141,571	14,877,858
	<u>\$ 42,552,297</u>	<u>\$ 19,993,937</u>

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

YEARS ENDED JUNE 30, 2021 AND 2020

Note 9 – Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specified purpose or passage of time:		
Net undesignated campaign contributions received for future allocation periods	\$ 6,205,176	\$ 6,834,538
COVID-19 recovery fund contributions	532,765	1,672,309
211 grants	<u>201,405</u>	<u>229,124</u>
	<u>6,939,346</u>	<u>8,735,971</u>
Subject to the restrictions in perpetuity:		
Building and operational endowment	800,000	800,000
Net assets with donor restrictions	<u>\$ 7,739,346</u>	<u>\$ 9,535,971</u>

Note 10 – 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 restriction 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, 2021 and 2020, which is restricted by the donor to investment in perpetuity. The income from these invested funds is classified as without donor restriction, since it is expendable to support either building maintenance or other needs of the United Way. The remaining unspent income from these invested funds amounted to \$745,884 and \$457,410 at June 30, 2021 and 2020, respectively.

The United Way also has an endowment for Board-designated funds of \$2,175,707 and \$1,769,487 at June 30, 2021 and 2020, respectively, 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 Central Florida Foundation, Inc., 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 Central Florida Foundation, Inc. is not considered to be a liquid asset of the Organization.

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

YEARS ENDED JUNE 30, 2021 AND 2020

Note 11 – Liquidity

The following table reflects the Organization’s financial assets as of June 30, 2021 and 2020, 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.

	<u>2021</u>	<u>2020</u>
Cash	\$ 31,779,122	\$ 15,437,591
Investments	15,375,783	10,140,864
Campaign pledges receivable, net	2,546,298	2,503,671
Grants receivable	2,133,809	1,278,232
Other receivables	290,144	145,490
	<hr/>	<hr/>
Financial assets at the end of the year	52,125,156	29,505,848
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	(360,480)	(929,439)
	<hr/>	<hr/>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 50,964,676</u>	<u>\$ 27,776,409</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.

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 deducted the funds from 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 12 – Subsequent Events

Management has assessed subsequent events and determined there were no events requiring recognition or disclosure through November 18, 2021, 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, 2021

Grantor/Pass-Through/Program Total	Contract Award Number	Assistance Listing #	Portion Expended by Subrecipients	Total Federal Expenditures
Federal Awards:				
U.S. Department of Justice				
Passed through Office for Victims of Crime:				
Crime Victim Assistance - Discretionary Grant	2018-V3-GX-K012	16.582	\$ 146,679	\$ 404,956
Total U.S. Department of Justice			<u>146,679</u>	<u>404,956</u>
U.S. Department of Health and Human Services				
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	1U79SM062415-01	93.243	-	255,670
Passed through Central Florida Cares Health System:				
Block Grant for Community Health Services	UW221	93.958	-	248,108
Passed through Orange County:				
HIV Care Formula Grants (Ryan White HIV/AIDS Planning Council)	Y18-186-ZM	93.914	-	201,433
Passed through Florida Department of Health:				
HIV Care Formula Grants (Ryan White HIV/AIDS Program Part B)	CODLQ-Y2	93.917	400,559	468,021
HIV Care Formula Grants (Ryan White HIV/AIDS Program Part B)	CODLQ-Y3	93.917	1,211,117	1,365,127
HIV Care Formula Grants (Ryan White HIV/AIDS Program General Revenue)	CODMH	93.917	555,421	631,082
Total U.S. Department of Health and Human Services			<u>2,167,097</u>	<u>2,464,230</u>
U.S. Department of Homeland Security				
Passed through the Emergency Food and Shelter National Board:				
Emergency Food and Shelter National Board Program	36-1680-00, 37-1680-00, 37-1684-00, 37-1718-00, 38-1680-00, 38-1684-00, 38-1718-00,		784,371	799,070
COVID-19 Emergency Food and Shelter National Board Program	CARES-1680-00, CARES- 1684-00, CARES-1718- 00	97.024	762,209	777,764
			<u>1,546,580</u>	<u>1,576,834</u>
Passed through the Federal Emergency Management Agency:				
COVID-19 Mental Health Disaster Assistance and Emergency Mental Health	LH802	93.982	-	611,278
Total U.S. Department of Homeland Security			<u>1,546,580</u>	<u>2,188,112</u>
U.S. Department of the Treasury				
Volunteer Income Tax Assistance	16VITA-0024	21.009	-	33,506
Passed through City of Orlando:				
COVID-19 Coronavirus Relief Fund	132-2020	21.019	-	2,323,071
Passed through Orange County:				
COVID-19 Coronavirus Relief Fund	Y20-2367, Y20-2319	21.019	-	390,609
Passed through Seminole County:				
COVID-19 Coronavirus Relief Fund	REQ-01194	21.019	-	85,000
Total U.S. Department of the Treasury			<u>-</u>	<u>2,798,680</u>
Total Federal Awards			<u>\$ 3,860,356</u>	<u>\$ 8,594,695</u>

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

YEAR ENDED JUNE 30, 2021

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, 2021. 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. 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, 2021, 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 18, 2021.

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 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 "Cheryl Behrman LLP". The signature is written in a cursive, flowing style.

Orlando, Florida
November 18, 2021

Report of Independent Auditor on Compliance for Each 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 Each Major Federal Program

We have audited Heart of Florida United Way, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Heart of Florida United Way, Inc.'s major federal programs for the year ended June 30, 2021. Heart of Florida United Way, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Heart of Florida United Way, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Heart of Florida United Way, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Heart of Florida United Way, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Heart of Florida United Way, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of Heart of Florida United Way, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Heart of Florida United Way, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Heart of Florida United Way, Inc.'s 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.



Orlando, Florida
November 18, 2021

HEART OF FLORIDA UNITED WAY, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL AWARDS

YEAR ENDED JUNE 30, 2021

Part I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ yes x no

Significant deficiency(ies) identified?

_____ yes x none reported

Noncompliance material to financial statements noted?

_____ yes x no

Federal Awards Section

Internal control over major programs:

Material weakness(es) identified?

_____ yes x no

Significant deficiency(ies) identified?

_____ yes x none reported

Type of auditor's report on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)

_____ yes x no

Identification of major programs:

Assistance Listing Number(s)
21.019
97.024

Name of Federal Program or Cluster
Coronavirus Relief Fund
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?

 x yes _____ no

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

YEAR ENDED JUNE 30, 2021

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, 2021

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, 2021; therefore, a Corrective Action Plan is not required.