UNITED WAY OF VOLUSIA-FLAGLER COUNTIES, INC.

FINANCIAL STATEMENTS

JUNE 30, 2023

UNITED WAY OF VOLUSIA-FLAGLER COUNTIES, INC.
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JAMESMOORE

INDEPENDENT AUDITORS' REPORT

Board of Directors,
United Way of Volusia-Flagler Counties, Inc.:

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of Volusia-Flagler Counties, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1(n) and Note 13 to the financial statements, effective January 1, 2022, the Organization adopted new accounting guidance for leases. There was no effect on beginning net assets. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the United Way of Volusia-Flagler Counties, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the United Way of Volusia-Flagler Counties, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the United Way of Volusia-Flagler Counties, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

James Moore & Co., P.L.

Daytona Beach, Florida
September 27, 2023

UNITED WAY OF VOLUSIA-FLAGLER COUNTIES, INC.
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2023
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2022)

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
	ASSETS			
Current assets				
Cash and cash equivalents	$ 1,163,782	$ 51,335	$ 1,215,117	$ 613,837
Annual campaign pledges receivable, net	285,138	-	285,138	470,664
Other receivables	16,984	-	16,984	17,884
Prepaid expenses	20,145	-	20,145	13,965
Total current assets	1,486,049	51,335	1,537,384	1,116,350
Noncurrent assets				
Pooled income fund	-	59,397	59,397	58,016
Life insurance cash surrender value	81,313	-	81,313	80,218
Investments	8,406,040	5,326,646	13,732,686	12,504,814
Property and equipment, net	208,646	-	208,646	107,650
Operating lease right of use asset, net	449,368	-	449,368	-
Total noncurrent assets	9,145,367	5,386,043	14,531,410	12,750,698
Total assets	$ 10,631,416	$ 5,437,378	$ 16,068,794	$ 13,867,048
	LIABILITIES AND NET ASSETS			
Current liabilities				
Accounts payable	$ 11,727	$ -	$ 11,727	$ 12,877
Accrued wages and benefits	51,782	-	51,782	45,854
Allocations and designations payable	6,343	-	6,343	9,550
Refundable advance	-	-	-	20,000
Agency fund	-	388,194	388,194	66,598
Current portion of operating lease liability	33,230	-	33,230	-
Total current liabilities	103,082	388,194	491,276	154,879
Noncurrent liabilities				
Gift annuity obligations	-	32,066	32,066	33,538
Noncurrent portion of operating lease liability	427,165	-	427,165	-
Total noncurrent liabilities	427,165	32,066	459,231	33,538
Total liabilities	$ 530,247	$ 420,260	$ 950,507	$ 188,417
Net assets				
Without Donor Restrictions				
Undesignated	$ 1,596,097	$ -	$ 1,596,097	$ 2,057,237
Designated for the purpose of EDGE	7,503,387	-	7,503,387	6,595,047
Designated for Women's Affinity Group	129,596	-	129,596	91,322
Designated for Donor Advised Funds	872,089	-	872,089	416,456
With Donor Restrictions				
Purpose restrictions	-	157,024	157,024	183,963
In Perpetuity	-	4,860,094	4,860,094	4,334,606
Total net assets	10,101,169	5,017,118	15,118,287	13,678,631
Total liabilities and net assets	$ 10,631,416	$ 5,437,378	$ 16,068,794	$ 13,867,048

The accompanying notes to financial statements
are an integral part of this statement.

UNITED WAY OF VOLUSIA-FLAGLER COUNTIES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
Public support and revenue				
Public support				
Gross annual campaign contributions and pledges	$ 1,804,584	$ -	$ 1,804,584	$ 1,606,563
Less: Allowance for uncollectible pledges	(61,710)	-	(61,710)	(207,430)
Less: Donor designations	(136,519)	-	(136,519)	(125,227)
Total annual campaign contributions and pledges	1,606,355	-	1,606,355	1,273,906
Other contributions and support	1,573,590	348,827	1,922,417	1,258,516
Bequests and memorial gifts	9,847	-	9,847	9,728
In-Kind contributions	19,394	-	19,394	-
Total public support	3,209,186	348,827	3,558,013	2,542,150
Revenue				
Grants, contracts and fees for service	72,817	51,206	124,023	145,073
Other income	2,874	(369)	2,505	3,276
Gain on sale of land and building	512,587	-	512,587	-
Change in value of charitable gift annuities	(4,992)	-	(4,992)	(16)
Change in value of pooled income fund	(1)	1,381	1,380	(8,818)
Investment income (loss), net	763,965	422,251	1,186,216	(1,962,182)
Total revenue (loss)	1,347,250	474,469	1,821,719	(1,822,667)
Net assets released from restrictions				
Satisfaction of purpose restrictions	324,747	(324,747)	-	-
Total net assets released from restrictions	324,747	(324,747)	-	-
Total public support, revenue, and net assets released from restrictions	4,881,183	498,549	5,379,732	719,483
Expenses				
Allocations and distributions				
Agency allocations	1,373,619	-	1,373,619	1,318,110
Community grants	592,005	-	592,005	129,350
Less: Donor designations	(136,519)	-	(136,519)	(125,227)
Net agency allocations	1,829,105	-	1,829,105	1,322,233
Scholarships, direct assistance and distributions	430,916	-	430,916	661,907
Total allocations and distributions	2,260,021	-	2,260,021	1,984,140
Operating expenses				
Program services	491,433		491,433	457,979
Community foundation	324,865	-	324,865	280,008
Fundraising	176,191	-	176,191	316,117
Special events	110,708	-	110,708	46,527
Management and general	576,858	-	576,858	257,105
Total operating expenses	1,680,055	-	1,680,055	1,357,736
Total expenses	3,940,076	-	3,940,076	3,341,876
Change in net assets	941,107	498,549	1,439,656	(2,622,393)
Net assets, beginning of year	9,160,062	4,518,569	13,678,631	16,301,024
Net assets, end of year	$ 10,101,169	$ 5,017,118	$ 15,118,287	$ 13,678,631

The accompanying notes to financial statements
are an integral part of this statement.

UNITED WAY OF VOLUSIA-FLAGLER COUNTIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	Program Services			Supporting Services						
	FCFH-211	Community Impact	Total Program Services	Community Foundation	Fund-Raising	Special Events	Management and General	Total Supporting Services	2023 Total	2022 Total
Operating Expenses										
Salaries	$ 4,279	$ 260,166	$ 264,445	$ 135,587	$ 99,838	$ -	$ 302,784	$ 538,209	$ 802,654	$ 735,497
Employee benefits	(13)	40,107	40,094	30,056	16,795	-	14,722	61,573	101,667	141,121
Payroll taxes	422	18,738	19,160	9,866	8,284	-	20,542	38,692	57,852	53,479
Professional and consulting fees	42,822.00	4,650	47,472	32,383	6,933	1,365	27,839	68,520	115,992	102,358
Supplies	0.00	9,054	9,054	1,335	2,468	1,549	3,133	8,485	17,539	18,598
Telephone and communications	21.00	5,986	6,007	4,024	2,783	-	4,176	10,983	16,990	29,022
Postage and shipping	0.00	155	155	166	594	65	444	1,269	1,424	2,062
Occupancy	5,000.00	30,501	35,501	63,742	10,356	850	56,713	131,661	167,162	97,795
Equipment rental and service	0.00	20,799	20,799	10,989	2,210	-	98,619	111,818	132,617	9,505
Printing and publications	0.00	3,684	3,684	3,197	2,553	11,498	1,491	18,739	22,423	6,148
Travel	94.00	13,147	13,241	5,609	8,386	3,164	9,168	26,327	39,568	7,851
Conferences, meetings and training	0.00	14,416	14,416	7,057	6,509	91,675	1,091	106,332	120,748	4,418
Dues	0.00	903	903	6,053	825	-	3,944	10,822	11,725	12,044
Dues to affiliates	0.00	9,606	9,606	7,689	3,842	-	7,884	19,415	29,021	46,742
Recognition and awards	0.00	1,248	1,248	887	443	42	887	2,259	3,507	11,072
Insurance	0.00	2,343	2,343	1,875	937	-	1,874	4,686	7,029	6,177
Advertising	0.00	553	553	2,480	1,359	500	-	4,339	4,892	7,151
Depreciation and amortization	-	2,691	2,691	1,614	1,076	-	2,153	4,843	7,534	27,055
Miscellaneous	-	61	61	256	-	-	-	256	317	383
In-kind	-	-	-	-	-	-	19,394	19,394	19,394	-
Totals	$ 52,625	$ 438,808	$ 491,433	$ 324,865	$ 176,191	$ 110,708	$ 576,858	$ 1,188,622	$ 1,680,055	$ 1,318,478

The accompanying notes to financial statements
are an integral part of this statement.

UNITED WAY OF VOLUSIA-FLAGLER COUNTIES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	2023	2022
Cash flows from operating activities		
Change in net assets	$ 1,439,656	$ (2,622,393)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization of right of use asset	26,323	18,052
Gain on sale of land building	(512,587)	-
Net loss (return) on investments	(1,186,216)	1,962,182
Provision for uncollectible pledges	61,710	207,430
Contributions restricted for perpetual endowment	(318,600)	(421,824)
Donated securities	-	(473,715)
Change in:		
Annual campaign pledges receivable	123,816	168,218
Other receivables	900	11,602
Prepaid expenses	(6,180)	16,888
Pooled income fund	(1,381)	8,818
Life insurance cash surrender value	(1,095)	(595)
Accounts payable	(1,150)	(24,335)
Accrued wages and benefits	5,928	(686)
Allocations and designations payable	(3,207)	(50,092)
Deferred revenue	(20,000)	20,000
Agency fund	321,596	44,389
Gift annuity obligations	(1,472)	(6,448)
Operating lease liability	(7,762)	-
Total adjustments	(1,519,377)	1,479,884
Net cash provided by (used in) operating activities	(79,721)	(1,142,509)
Cash flows from investing activities		
Purchases of property and equipment	(216,181)	-
Proceeds from sale and maturities of investments	5,041,255	8,963,256
Proceeds from sale of building	620,238	-
Purchases of investments	(5,082,911)	(9,693,522)
Net cash provided by (used in) investing activities	362,401	(730,266)
Cash flows from financing activities		
Collections of contributions restricted to perpetual endowment	318,600	421,824
Net cash provided by (used in) financing activities	318,600	421,824
Net change in cash and cash equivalents	601,280	(1,450,951)
Cash and cash equivalents, beginning of year	613,837	2,064,788
Cash and cash equivalents, end of year	$ 1,215,117	$ 613,837
Supplemental disclosure of non-cash investing and financing activities		
Right of use asset obtained in exchange for operating lease obligations	$ 468,157	$ -

The accompanying notes to financial statements
are an integral part of this statement.

(1) Summary of Significant Accounting Policies:

The following is a summary of the significant accounting policies and practices of United Way of Volusia-Flagler Counties, Inc. (the Organization), which affect the accompanying financial statements:

(a) **Nature of operations**—The Organization is a nonprofit organization incorporated under the laws of Florida. The mission of the Organization is to increase the organized capacity of the community to care for its people. The Organization brings its mission to life through an annual fund-raising campaign which results in the allocation of funds to its human service member agencies in Volusia and Flagler Counties. All funds are allocated through a volunteer driven, citizen-review process. Distributions are reported as "agency allocations" in the accompanying statement of activities. The distribution of funds by trained and knowledgeable volunteers sets the Organization apart from other funding sources. To be the best stewards of donor investments and in an effort to align community resources for maximum impact, the Organization places a greater emphasis on specific priority areas within the education, financial stability, and health arenas that have a stronger focus on community-level outcomes. This model allows the Organization to report measurable results for the community through their support partner programs. In addition, the Organization provides funding for several community building programs.

Program service areas directly managed by the Organization are summarized as follows:

First Call for Help – This program is the only comprehensive information and referral program that is available to anyone seeking information about human service agencies in Volusia and Flagler Counties. Trained and certified information and referral specialists are available 24 hours per day, 365 days per year by phone to provide information about human service agencies in Volusia and Flagler counties. A searchable index of services is available at the Organization's online website.

Volunteer Center – This program is devoted solely to the promotion and nurturing of volunteerism and community service. The Volunteer Center recruits, develops, places and recognizes volunteers for hundreds of organizations and agencies community wide, and trains and matches potential leadership-caliber volunteers for various boards and committees. The Volunteer Center also administers the Reading Pals Program. It is a United Way program where volunteers provide positive reinforcement and personal attention to a child (kindergarten through 3rd grade) who would benefit from extra reading support. The goal is to improve children's reading skills and impart a love of reading.

Community Impact - The Organization engages in community impact by attending local meetings for the purposes of assessing community needs, coordinating public and private funding, and aiding in the development of other human services efficiencies and collaborations.

(b) **Financial statement presentation**—These financial statements, which are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) have been prepared to present balances and transactions according to the existence or absence of donor-imposed restrictions. The Foundation reports information regarding its financial position and activities according to two classes of net assets: with and without donor restrictions.

(1) **Summary of Significant Accounting Policies:** (Continued)

Net assets without donor restrictions—Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's management and Board of Directors (the Board) may designate assets without restrictions for specific purposes.

Net assets with donor restrictions—Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

The Organization recognizes revenues as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions.

The Organization reports contributions of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. 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 in the statement of activities as net assets released from restrictions.

The Organization reports gifts of property, buildings and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service and/or construction expenses have been incurred.

Contributed services are reflected in the accompanying financial statements at the fair value of the services received, if the services create or enhance nonfinancial assets or require specialized skills that are provided by individuals possessing those skills and would otherwise need to be purchased if not provided by donation. There were no contributed services or nonfinancial assets during the year ended June 30, 2023.

No amounts have been included in the accompanying financial statements for services contributed by campaign volunteers since such services generally do not require specialized skills. Nevertheless, approximately 770 volunteers from the area donated over 18,460 hours of their time with a value of $587,000 based on estimated hourly rates.

A portion of the Organization's revenue is derived from cost-reimbursable federal, state, and local contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions.

Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

(c) **Cash and cash equivalents**—For purposes of reporting cash flows, cash and cash equivalents include money market funds and investments with original maturities of three months or less when purchased.

(1) **Summary of Significant Accounting Policies:** (Continued)

(d) **Investments**—Investments are reported at fair value. 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 (loss) is included in the change in net assets without donor restrictions, unless its use is restricted by donor stipulations or law. When a donor restriction is met the amount is reclassified and reported as released from restriction.

(e) **Property and equipment**—Purchases of land, buildings, and equipment having cost of $5,000 or more are capitalized at cost. Donated assets are capitalized at the estimated fair-market value at the time of receipt. Depreciation is computed on the straight-line method and is based on estimated useful lives ranging from five to thirty-three years. Depreciation expense for the year ended June 30, 2023 was $7,534.

(f) **Leases—**The Organization leases office space and office equipment. The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities on the Organization's balance sheets. Finance leases are included in finance lease right-of-use (ROU) assets, other current liabilities, and other long-term liabilities on the Organization's balance sheet.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the Organization's leases do not provide an implicit rate, the Organization uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Organization has lease agreements with lease and non-lease components, which are generally accounted for separately. For certain leases the Organization accounts for the lease and non-lease components as a single lease component. For arrangements accounted for as a single lease component, there may be variability in future lease payments as the amount of the non-lease components is typically revised from one period to the next. These variable lease payments, which are primarily comprised of common area maintenance that are passed on from the lessor in proportion to the space leased, are recognized in operating expenses in the period in which the obligation for those payments was incurred.

In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if the it has obtained substantially all of the rights to the underlying asset through exclusivity, if it can direct the use of the asset by making decisions about how and for what purpose the asset will be

(1) **Summary of Significant Accounting Policies:** (Continued)

used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

In allocating consideration in the contract to the separate lease components and the non-lease components, the Organization uses the standalone prices of the lease and non-lease components. Observable standalone prices are used, if available. If the standalone price for a component has a high level of variability or uncertainty, this allocation may require significant judgment.

In determining the discount rate used to measure the right-of-use asset and lease liability, the Organization uses rates implicit in the lease, or if not readily available, the risk-free rate is used based on the 10-year Treasury note yield.

(g) **Annual campaign pledges receivable**—Annul campaigns are conducted from July 1 through June 30 to raise funds for allocation to participating agencies in the subsequent calendar year. Unconditional promises to give are recognized as revenues or grants in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. An allowance for uncollectible pledges is established by the Organization's management based on past collection experience and current economic conditions. Because of uncertainties in the estimation process it is at least reasonable possible that management's estimate of uncollectible pledges will change in the near term. It is the Organization's policy to write-off uncollectible pledges within two years after an annual campaign has ended. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

(h) **Donor designations**—The Organization offers contributors the opportunity to designate their contributions to specific agencies. Contributions over which the Organization has little or no discretion in determining how funds are to be used are considered an agency relationship and, therefore, not recorded as a contribution when received or an agency allocation when disbursed. Donor designations are shown as reductions in gross annual campaign and agency allocations in the accompanying statement of activities.

(i) **Conditional agency allocations**—Allocations to agencies are distributed over the year from July 1 through June 30, based on the preceding year's campaign. The Organization follows professional standards for contributions received and contributions made. Professional standards require recognition as an expense as the conditions of the allocation are met. In addition, the allocation payments to funded agencies stop if the condition of allocation is not met. The Board of Directors has approved a conditional allocation for Fiscal Year 2023/2024 totaling $965,600.

(j) **Use of estimates**—The preparation of financial statements in conformity with GAAP requires management to make various estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

(1) **Summary of Significant Accounting Policies:** (Continued)

(k) **Income taxes**—The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under similar provisions of the Florida Statutes. The Organization follows accounting standards relating to accounting for uncertainly in income taxes. The Organization assessed whether there were any uncertain tax provisions which may give rise to income tax liabilities and determined that there were no such matters requiring recognition in the accompanying financial statements.

The Organization files tax returns in the U.S. federal jurisdiction. The Organization's income tax returns for the past three years are subject to examination by tax authorities, and may change upon examination.

(l) **Functional allocation of expenses**—Expenses are charged directly to program, management or fundraising in general categories based on specific identification. Indirect expenses are allocated based on program revenue and other bases, as determined by management. Although methods of allocation used are considered reasonable and appropriate, other methods could be used that would produce different results. The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and in the statement of functional expenses.

(m) **Subsequent events—**The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through September 27, 2023, the date the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

(n) **Recent accounting pronouncements**—In February 2016, the FASB issued ASU 2016-02: "Leases (Topic 842)", to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. This ASU was adopted this year. See Note 13.

(o) **Comparative financial information**—The financial statements include certain prior year summarized comparative information. With respect to the statements of financial position and activities, the prior year information is presented in total, not by net asset class. With respect to the statement of functional expenses, the prior year expenses are presented by expense classification in total rather than functional category. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

(2) **Annual Campaign Pledges Receivable:**

At June 30, 2023, annual campaign pledges receivable consists of the following:

2021 - 2022 campaign	$	420,197
2020 - 2021 campaign		104,762
		524,959
2021 - 2022 allowance for uncollectible pledges		(135,059)
2020 - 2021 allowance for uncollectible pledges		(104,762)
Annual campaign pledges receivable, net	$	285,138

(3) **Fair Value Measurements:**

The fair value measurement accounting literature provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below as follows:

Level 1 –Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 – Inputs to the valuation methodology include: (1) quoted market prices for similar assets or liabilities in active markets, (2) quoted prices for identical or similar assets or liabilities in inactive markets, (3) inputs other than quoted prices that are observable for the asset or liability, and (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the valuation methodologies used during the year.

Cash and cash equivalents and certificates of deposit – Valued at cost, which approximates fair value.

Contributions receivable and designations payable – For contributions receivable and for designations payable that are due within one year, carrying amount is a reasonable estimate of fair value. For contributions receivable and designations payable that are due in more than one-year, fair value is estimated at the present value of estimated future cash flows, using a discount rate reflective of current interest rates.

Mutual funds and equity securities – Valued at the closing price reported on the active markets on which the individual funds are traded.

(3) **Fair Value Measurements:** (Continued)

Alternative investments–These investments may include limited partnerships, private equity funds, and other types of non-traditional investments. These investments are not listed on national exchanges or over-the-counter markets, and quoted market prices are not available. These investments are valued based on a review of all available information provided by fund managers and general partners. Fair value is based on the net asset value (NAV) of the number of ownership interests held as a practical expedient. Estimated values are based on appraisals of underlying real assets less liabilities. Fair value estimates are evaluated on a regular basis and are susceptible to revisions as more information becomes available. Because of these factors, it is reasonably possible that the estimated fair values of these investments may change materially in the near term.

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

The following table summarizes the assets of the Organization for which fair values are determined on a recurring basis:

	Fair Value Measurements as of June 30, 2023			
	Level 1	Level 2	Level 3	Total
Mutual funds				
Equity funds	$ 8,928,994	$ -	$ -	$ 8,928,994
Fixed income funds	3,662,070	-	-	3,662,070
Total assets in the fair value hierarchy	12,591,064	-	-	12,591,064
Assets measured at NAV				
Real estate investment fund				1,141,622
Total assets at fair value				$ 13,732,686

There were no significant transfers between Levels 1 and 2 and no purchases, issues, or transfers in or out of level 3 for the year ended June 30, 2023.

Investment expense was $27,657 for the year ended June 30, 2023, and is netted against net investment income (loss).

The following table represents fair value measurements of investments in certain entities using NAV as a practical expedient:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
U.S. Real Estate Investment Fund	$ 1,141,622	$ -	Quarterly	90 days

(4) **Concentrations and Credit Risk:**

The Organization's financial instruments that are exposed to concentrations of credit risk consist of checking and money market accounts held at creditworthy financial institutions. Such accounts may at times exceed federally insured limits. The Organization has not experienced any losses on such accounts.

(4) **Concentrations and Credit Risk:** (Continued)

The Organization maintains cash balances at a financial institution. Funds at the institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. Cash for the year ended June 30, 2023 exceeded federally insured limits by $178,064. Money market funds included as cash equivalents are not insured by FDIC and totaled $228,968.

In the current year, approximately 30% of gross annual campaign contributions and 15% of total public support was provided by one corporation and their employees. It is always considered reasonably possible that benefactors, grantors or contributors might be lost in the near term.

(5) **Pooled Income Funds:**

For the Pooled Income Fund, the donor has contributed funds to United Way Worldwide. All similar donations are pooled in an investment account managed by United Way Worldwide. The responsibility for future payments to the donor is held by United Way Worldwide. At the death of the last surviving income beneficiary, the value of the principal of the gift will be distributed to the Organization.

The organization records an asset for the estimated current value of the Pooled Income Fund. At June 30, 2023 the estimated value is $59,397.

(6) **Property and Equipment:**

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

Leasehold improvements	$ 196,492
Furniture and equipment	49,526
Less: accumulated depreciation	(37,372)
Property and equipment, net	$ 208,646

(7) **Employee Benefit Plan:**

The Organization sponsors a 403(b)-thrift plan that covers all salaried employees with at least one year of service and who are at least 21 years of age and work over 1,000 hours in the calendar year. The Organization contributes 2% of the participant's salary and will match up to 5% of the employees' contributions. Participant's account balance shall be 100% non-forfeitable after completion of 3 years of vesting services or at 59.5 years of age. Total expense for the year ended June 30, 2023 was $37,983.

(8) **Gift Annuity Obligations:**

The Organization sells and administers several charitable gift annuities. A charitable gift annuity is an arrangement between a donor and the Organization in which the donor contributes assets in exchange for a promise by the Organization to pay a fixed amount for a specified period of time (typically the life of the donor or a designated beneficiary). Subject to certain reserve and other regulatory requirements, the contributed assets are held as general assets of the Organization and the annuity liability is a general obligation of the Organization.

(8) **Gift Annuity Obligations:** (Continued)

The assets received are recognized at fair value when received, and an annuity payment liability is recognized at the present value of annuity payments expected to be paid. The annuity payment liability is based on life expectancies of the donors and payout rate from 6.8% to 14.2% depending upon the year of the donation. Contribution revenue (gift value) is recognized as the difference between these two amounts. Payments to beneficiaries reduce the annuity liability. Adjustments are made to the annuity liability at the end of each subsequent year to reflect the current present value of future annuity payments. These adjustments are recognized in the statement of activities as changes in the value of gift annuities in net assets without donor restrictions. Reserve funds required by the State of Florida amounted to $40,083 as of June 30, 2023.

As of June 30, 2023, the present value of future annuity payments for existing gift annuities was $32,066.

(9) **Endowments:**

The Organization's endowments consist of 15 funds established to support a variety of programs and specific agencies. Its endowments consist of only donor-restricted funds. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Organization has interpreted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

In accordance with FUPMIFA, the Organization considers the following factors in taking a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purpose of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor originally contributed as an endowment fund to the Organization. In accordance with generally accepted accounting principles, deficiencies of this nature are reported in net assets without donor restrictions. There were no such deficiencies for the year ended June 30, 2023.

(9) **Endowments:** (Continued)

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the programs and organizations supported by the endowments. The endowment assets are invested in a manner that is intended to produce positive results, while assuming a moderate level of investment risk.

Strategies Employed for Achieving Objectives

The Organization relies on a total return strategy in which investment returns are achieved through capital appreciation and current yield (interest and dividends). The Organization targets a diversified asset allocation that emphasizes fixed income securities to achieve its long-term objectives within prudent risk constraints.

Endowment Spending Policy and How the Investment Objectives Relate

The Organization has a policy of appropriating for distribution each year all of its endowment fund's earnings to the programs and organizations the donor has specified.

In establishing this policy, the Organization considered the long-term expected returns on its endowment investments. Accordingly, over the long term, the Organization expects the current spending policy will allow its endowment to retain the original fair value of the gift.

Endowment net asset composition consisted of the following at June 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
EDGE - Every Dollar Gets Empowered	$ -	$ 970,399	$ 970,399
Restricted in perpetuity	-	3,889,695	3,889,695
	$ -	$ 4,860,094	$ 4,860,094

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

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets as of July 1, 2022	$ -	$ 4,334,606	$ 4,334,606
Contributions	-	318,600	318,600
Investment gains (losses)	-	419,664	419,664
Distributions	-	(157,676)	(157,676)
Fees	-	(55,100)	(55,100)
Endowment net assets as of June 30, 2023	$ -	$ 4,860,094	$ 4,860,094

(10) Liquidity and Availability of Financial Assets:

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of net position, comprise the following:

Cash and cash equivalents - Without Donor Restrictions	$ 1,163,782
Annual campaign pledges receivable, net	285,138
Other receivables	16,984
Life insurance cash surrender value	81,313
Investments - Without Donor Restrictions	8,406,040
	9,953,257
Board Designated Net Assets	(8,505,072)
Financial assets available to meet cash needs for general expenses within one year	$ 1,448,185

As a federated fundraising organization, The Organization receives significant contributions each year from donors, which are available to meet annual cash needs for general expenditures. Allocations to agencies are paid monthly over a 12-month period from July to June. During a different 12-month period of January to December, additional contributions are received from donors. In addition, all board designated net assets can be made available to meet operating needs if necessary.

(11) Board Designated Net Assets:

At June 30, 2023, the Organization’s board of directors has chosen to place the following limitations on net assets without donor restrictions:

Designated for the purpose of EDGE	$ 7,503,387
Designated for Donor Advised Funds	872,089
Designated for Women's Affinity Group	129,596
	$ 8,505,072

The purpose of EDGE is established to combine legacy gifts, using the growth and income of the corpus to ensure funding for changing community needs for many future years. Currently that fund is managed by the Community Foundation, a Division of the United Way of Volusia-Flagler Counties. The Women's Affinity Group raises funds to improve the life of women and children in Volusia and Flagler Counties. The United Way of Volusia-Flagler Counties currently has six Donor Advised Funds in which the Donors can make recommendations on how to grant monies from these Funds, but ultimately, the United Way of Volusia-Flagler Counties has complete authority on how to grant from these funds as they are unrestricted gifts to the United Way of Volusia-Flagler Counties.

(12) Net Assets with Donor Restrictions:

Net assets with donor restrictions are restricted for the following purposes as of June 30, 2023:

Restricted for specified purposes		
Pooled Income Funds directed by United Way Worldwide	$	59,397
Gift annuity reserves in excess of gift annuity obligations		8,017
Donor Designated funds		78,358
Emergency Electric fund		11,252
		157,024
Restricted in perpetuity		
EDGE - Every Dollar Gest Empowered		970,399
Donor Designated funds - endowed		1,504,248
Field of Interest funds - endowed		1,169,966
Endowment funds		1,215,481
		4,860,094
Total net assets with donor restrictions	$	5,017,118

Net assets with donor restrictions that are perpetual in nature consist of the Organization's 13 endowment funds established to support a variety of programs and specific agencies (See Note 9: Endowments).

Net assets with donor restrictions were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of other events specified by donors as follows:

Utility assistance	$	55,786
Funds with purpose restrictions		268,961
Total donor restricted net assets released from restrictions	$	324,747

(13) Leases:

The Organization leases approximately 3,472 square feet of rental space in Daytona Beach, Florida for the purpose of office space. This is an operating lease with commencement date of January 1, 2023. Lease has an initial term of 5 years with a renewal option for 5 additional years. Rent is fixed for the first 3 years but increases by 4% per year starting on the first day of the fourth year and every succeeding year during the term of the lease, which would take it through 12/31/2032. Operating lease expense was $27,808 for the year ended June 30, 2023.

Other information related to leases for the year ended June 30, 2023, was as follows:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$16,781
Weighted-average remaining lease term—operating leases	9.50 years
Weighted-average discount rate (risk free rate)—operating leases	3.88%
ROU assets obtained in exchange for new operating lease liabilities	468,157

(13) **Leases**: (Continued)

Future minimum lease payments under non-cancellable operating leases as of June 30, 2023, were as follows:

Year Ending June 30,	Operating
2024	$ 50,344
2025	76,523
2026	78,577
2027	55,541
2028	57,762
Thereafter	220,650
Total future minimum lease payments	539,397
Less: Present value discount	(79,002)
	$ 460,395