

**United Way of  
Martin County, Inc.**

**United Way of  
Martin County Foundation, Inc.**

**ANNUAL FINANCIAL REPORT  
June 30, 2023 and 2022**



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## Report of Independent Auditors

To the Board of Directors  
United Way of Martin County, Inc.  
Stuart, Florida

### **Opinion**

We have audited the accompanying consolidated financial statements of United Way of Martin County, Inc. (the "Organization"), a non-profit organization, which comprise the consolidated statement of financial position as of June 30, 2023, and the related consolidated statements of activities, cash flows and functional expenses for the year then ended and the related consolidated notes to financial statements.

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

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of Martin County, 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.

### **Report on Summarized Comparative Information**

We have previously audited the Organization's June 30, 2022 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 20, 2022. Subsequent to the issuance of the report in 2022 the organization adopted FASB ASC TOPIC 842 pertaining to the reporting of leases, these changes resulted in the restatement of beginning net assets. See Note X. The prior year comparative information has been restated to conform with the change. In our opinion, the restated summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects with the audited financial statements from which it has been derived.

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To the Board of Directors  
United Way of Martin County, Inc

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.



Berger, Toombs, Elam,  
Gaines & Frank  
Certified Public Accountants PL

To the Board of Directors  
United Way of Martin County, Inc

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The combining schedules of financial position and the combining schedules of activities are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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.

*Berger Toombs Elam  
Gaines & Frank*

Berger, Toombs, Elam, Gaines & Frank  
Certified Public Accountants PL  
Stuart, Florida

October 12, 2023

**United Way of Martin County, Inc.**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**June 30, 2023**  
**(With Comparative Totals at June 30, 2022)**

	2023	2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 2,652,131	\$ 2,003,097
Receivables		
Campaign receivable, net of allowance of \$125,000 and \$150,000	298,947	326,298
Endowment receivable, net of discount	119,086	184,075
Other receivables	45,234	23,484
Prepaid expenses	33,210	40,358
Total current assets	3,148,608	2,577,312
Furniture, fixtures and equipment at cost, less accumulated depreciation of \$90,919 and \$91,744	5,944	8,988
Right-of-use asset - Property, net of accumulated amortization	450,582	513,454 *
Security deposit	10,963	10,963
Endowment receivable, net of discount	166,741	289,427
Long-term investments	6,638,342	5,595,998
Total assets	\$ 10,421,180	\$ 8,996,142
<b>Liabilities and Net Assets</b>		* Restated
<b>Current liabilities</b>		
Allocations payable and other accrued liabilities	\$ 1,086,211	\$ 1,083,537
Leases payable, current portion	54,294	66,240 *
Total current liabilities	\$ 1,140,505	\$ 1,149,777
<b>Noncurrent liabilities</b>		
Lease payable	\$ 396,148	\$ 450,442 *
Total liabilities	\$ 1,536,653	\$ 1,600,219
<b>Net assets</b>		
With donor restrictions	5,833,804	5,208,963
Without donor restrictions	3,050,723	2,186,960 *
Total net assets	8,884,527	7,395,923
Total liabilities and net assets	\$ 10,421,180	\$ 8,996,142

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

**United Way of Martin County, Inc.**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2023**  
**(With Summarized Comparative Information for the Year Ended June 30, 2022)**

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2023	2022
Support and revenues				
Public support:				
Campaign results				
Annual campaign	\$ 2,273,939	\$ 747,643	\$ 3,021,582	\$ 2,777,318
Less: Amounts raised on behalf of others	(263,950)	-	(263,950)	(352,592)
Less: Provision for uncollected pledge losses	(125,000)	-	(125,000)	(150,000)
Net campaign revenues	1,884,989	747,643	2,632,632	2,274,726
Special events	76,949	-	76,949	57,686
Total public support	1,961,938	747,643	2,709,581	2,332,412
Revenues and grants from governmental agencies:				
ARPA Cares	24,313	-	24,313	37,197
Retired and Senior Volunteer Service Grant	-	98,844	98,844	98,844
Total revenues and grants from governmental agencies	24,313	98,844	123,157	136,041
Other revenues and support:				
Other grants	6,500	-	6,500	-
Other revenues:				
Investment income	206,604	445,926	652,530	93,040
In-Kind goods and services	10,389	-	10,389	20,376
Other income	188,722	-	188,722	264,426
Administrative fees on amounts raised on behalf of others	430	-	430	1,003
Total other revenues	406,145	445,926	852,071	378,845
Net assets released from restrictions	667,572	(667,572)	-	-
Total support and revenues	3,066,468	624,841	3,691,309	2,847,298
Expenses				
Program services				
Community program services	1,648,841	-	1,648,841	1,659,236
Supporting services				
Management and general	225,558	-	225,558	194,606
Campaign and marketing	328,306	-	328,306	372,622
Total supporting services	553,864	-	553,864	567,228
Total expenses	2,202,705	-	2,202,705	* 2,226,464
Net realized and unrealized loss on investments	-	-	-	929,871
Total expenses and losses	2,202,705	-	2,202,705	3,156,335
Change in net assets	863,763	624,841	1,488,604	* (309,037)
Net assets				
Beginning of year	2,186,960	5,208,963	* 7,395,923	7,704,960
End of year	\$ 3,050,723	\$ 5,833,804	\$ 8,884,527	\$ 7,395,923

\* Restated



**United Way of Martin County, Inc.**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the Year Ended June 30, 2023**

	2023
Cash flows from operating activities:	
Change in net assets	\$ 1,488,604
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation	9,332
(Gain) loss on sale of securities	(156,953)
Unrealized (gain) loss on long-term investments	(326,211)
Change in assets and liabilities:	
Decrease in pledges receivable	27,351
Decrease in grants and bequests receivable	187,675
(Increase) in other receivables	(21,750)
Decrease in prepaid expenses	7,148
(Decrease) in leases payable	(66,240)
Increase in allocations payable	2,674
Net cash provided by operating activities	1,151,630
Cash flows from investing activities:	
Purchases of long-term investments	(905,318)
Proceeds from sales and maturities of long-term investments	489,274
Purchases of depreciable assets	(6,289)
Net cash used in investing activities	(422,333)
Cash flows from financing activities:	
Payments on leases payable	(80,263)
Net increase in cash	649,034
Cash at beginning of year	2,003,097
Cash at end of year	\$ 2,652,131

**United Way of Martin County, Inc.**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended June 30, 2023**  
**(With Summarized Comparative Information for the Year Ended June 30, 2022)**

	Program Services	Supporting Services			Totals	
	Community Program Services	Management and General	Campaign and Marketing	Total Supporting Services	2023	2022
<b>Distributions</b>						
Grants and allocations to funded partners	\$ 933,950	\$ -	\$ -	\$ -	\$ 933,950	\$ 883,497
Discretionary grants and awards to others	10,000	-	-	-	10,000	20,000
Specific assistance	98,422	-	-	-	98,422	160,794
Total distributions	1,042,372	-	-	-	1,042,372	1,064,291
<b>Compensation</b>						
Salaries	310,522	143,582	169,713	313,295	623,817	609,641
Employee benefits	74,783	29,075	33,244	62,319	137,102	136,684
Payroll taxes	23,353	10,909	12,797	23,706	47,059	46,046
Total compensation	408,658	183,566	215,754	399,320	807,978	792,371
<b>Services and supplies</b>						
Audit and accounting	2,937	1,939	8,601	10,540	13,477	17,401
Lease Expense	47,137	13,765	15,994	29,759	76,896	* 74,067
Insurance	7,952	2,228	4,240	6,468	14,420	14,977
Office maintenance	13,645	3,357	5,132	8,489	22,134	25,534
Meetings/community relations	3,842	1,215	10,350	11,565	15,407	4,400
Membership dues	1,777	1,000	1,536	2,536	4,313	4,692
Occupancy	5,280	641	738	1,379	6,659	* 10,412
General supplies	2,650	1,611	1,511	3,122	5,772	6,442
Telephone	4,836	1,819	2,001	3,820	8,656	8,578
Travel	1,898	836	864	1,700	3,598	3,602
Volunteer & staff development	1,555	41	1,010	1,051	2,606	1,203
Total services and supplies	93,509	28,452	51,977	80,429	173,938	171,308
<b>Promotion and awareness</b>						
General promotion	886	561	522	1,083	1,969	5,940
Postage	639	262	9,088	9,350	9,989	10,547
Printing and publications	3,794	1,306	2,656	3,962	7,756	3,873
Professional services and consultants	2,558	1,577	27,565	29,142	31,700	41,415
Program service	13,809	542	504	1,046	14,855	17,398
Promotional material	4,072	2,580	3,120	5,700	9,772	9,114
Campaign and fundraising	29,018	3,647	9,509	13,156	42,174	44,296
Recognition - awards	9,234	404	5,139	5,543	14,777	20,802
Total promotion and awareness	64,010	10,879	58,103	68,982	132,992	153,385
<b>Other expenses</b>						
Dues to national and state organizations	36,093	-	-	-	36,093	34,814
Depreciation	4,199	2,661	2,472	5,133	9,332	10,295
Total other expenses	40,292	2,661	2,472	5,133	45,425	45,109
<b>Total expenses</b>	<b>\$ 1,648,841</b>	<b>\$ 225,558</b>	<b>\$ 328,306</b>	<b>\$ 553,864</b>	<b>\$ 2,202,705</b>	<b>\$ 2,226,464</b>

\* Restated

**United Way of Martin County, Inc.**  
**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE A – DESCRIPTION OF ORGANIZATION**

United Way of Martin County, Inc., (“United Way”) is a not-for-profit fund raising, fund distribution and community service agency exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. United Way raises funds on an annual basis, primarily through employee payroll deductions at the workplace, corporate contributions, and individual gifts. United Way uses contributions with no restrictions to support local health and human service initiatives, and also acts as an agent for funds restricted by donors for specific purposes. As an unbiased advocate for the community needs, United Way provides:

1. Leadership in engaging people in the public, private and not-for-profit sectors in community planning and development to take action on priority human care issues that affect the quality of life in the community.
2. Assistance to human care agencies in the recruitment of volunteers and the acquisition of financial resources by conducting an annual voluntary fundraising campaign, developing, and coordinating governmental and private grants, individual gifts and supplemental income from bequests.
3. Investment in programs, projects, and initiatives in Martin County, using a volunteer-driven process and a variety of resource investment strategies, to address priority human care needs, affect root causes and produce positive results.
4. Interaction with donors, key stakeholders, agency partners and community leaders to develop United Way and community strategies that focus and leverage resources to effect optimal, consistent and measurable improvement in those priority needs.

*Affiliated Corporation*

United Way has established the United Way of Martin County Foundation, Inc. (Foundation). The Foundation is a separate non-profit organization which provides planned giving services to United Way donors. The United Way of Martin County Foundation is an independent public charity uniquely positioned to accept legacy gifts and build an endowment fund to meet current and future unmet needs of Martin County. Both United Way and the Foundation are related organizations with the Foundation having a number of present and former United Way Board members. The accompanying financial statements include the accounts of both entities. Inter-company transactions and balances have been eliminated.

**NOTE B – SUMMARY OF ACCOUNTING POLICIES**

**Financial Statements**

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles. Assets and related revenues are recorded when earned, and liabilities and related expenses are recognized as incurred. For grant revenue recognition, the legal and contractual requirements of the individual programs are used as guidance.

**United Way of Martin County, Inc.**  
**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE B – SUMMARY OF ACCOUNTING POLICIES (continued)**

**Financial Statements (continued)**

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors as follows:

*Net Assets Without Donor Restrictions*

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these assets are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in corporate documents and the application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others entered into in the course of its operations.

*Net Assets With Donor Restrictions*

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the organization must continue to use the resources in accordance with the donor's instructions.

The organization's unspent contributions are included in this class if the donor limited their use, as are its donor-restricted endowment funds.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the organization, unless the donor provides more specific directions about the period of its use.

Annual campaigns are conducted each year to raise support for charitable distributions. An unconditional promise to give is recognized as revenue at the time of the pledge, net of an allowance for uncollectible amounts.

Donors have the option to designate their contribution to a specific organization. Such contributions are referred to as donor choice. United Way also manages campaigns for corporations with locations outside Martin County, Florida. Undesignated pledges from employees of these corporations who do not reside and/or work in Martin County will in certain instances be distributed to other regional United Way Organizations. The collection of these contributions and distribution to donor-specified agencies or other regional United Way Organizations are transactions in which United Way is acting as an agent or intermediary. These transactions are not reported in the statement of activities as revenue and expenses but are included in the total campaign amounts raised on the statement and then deducted as amounts raised on behalf of others before arriving at net current year contributions.

**United Way of Martin County, Inc.**  
**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE B – SUMMARY OF ACCOUNTING POLICIES (continued)**

**Summarized Information**

The financial statements include certain prior year summarized comparative information in total but not by asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U. S. Generally Accepted Accounting Principles. Accordingly, such information should be read in conjunction with United Way's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

**Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, time deposits, certificates of deposit and all highly liquid debt instruments and insured money market accounts with original maturities of three months or less. Cash equivalents also include the cash portion of investment funds held by brokerage firms.

**Investments**

Debt and equity securities with readily determinable fair values purchased for investment are recorded at fair value based on quoted market prices. Cost basis is determined on the date of purchase. Purchased investments are reported at fair market value. Donated investments are recorded at their fair market value on the date of donation. Investment income which includes interest, dividends, gains and losses on sales of securities and unrealized gains and losses from investment appreciation and depreciation are considered as unrestricted revenue.

**Furniture, Fixtures and Equipment**

Uses of funds for acquisitions of physical property and equipment are generally accounted for as net assets without donor restrictions. These properties are recorded at cost, if purchased or fair market value, if contributed. If contributors of property stipulate how long the assets must be used, the contributions are recorded as support with donor restrictions. In the absence of such stipulations, contributions of property and equipment are recorded as support without donor restrictions. The organization has elected to capitalize those assets costing or having a fair market value at time of donation of, \$1,000 or more. Depreciation is provided for on all classes of property and equipment using straight-line methods over estimated useful lives ranging from 3 to 10 years.

**Income Taxes**

United Way is exempt from federal income tax as an organization described in Section 501(c) (3) of the Internal Revenue Code. In accordance with the Internal Revenue Code, United Way of Martin County, Inc. is not considered a private foundation.

**Donated Services and In-Kind Contributions**

United Way records in-kind contributions at fair market values consistent with those amounts which would be paid for similar products and services. Donated services are reported as contributions when the services create or enhance non-financial assets, would be purchased if they had not been provided by contribution, require specialized skills and are provided by individuals possessing those skills.

**United Way of Martin County, Inc.**  
**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE B – SUMMARY OF ACCOUNTING POLICIES (continued)**

**Accounting 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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Allocation of Expenses**

The costs of providing the organization's programs and supporting services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited. United Way allocates costs to the various functional expense categories based primarily upon the number of employees in each respective functional expense category.

**Leases**

The Organization has implemented FASB ASC TOPIC 842, *Leases*, in the current year, which changes the accounting and financial reporting for leases. FASB ASU 2016-02 defines a lease as a contract that conveys the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Under FASB ASU 2016-02, leases other than short-term leases, defined as having a maximum possible term of 12 months or less, are required to be recognized on the Statement of Financial Position. A lessee should recognize a lease liability and an intangible right of use asset, while a lessor should recognize a lease receivable and a deferred income. Contracts that transfer ownership should be accounted for as finance leases by the lessee or sales-type leases by the lessor.

The Organization determines if an arrangement is a lease, or contains a lease, at inception. Lessee arrangements recognize a lease liability and a right of use (ROU) asset in the Statement of Financial Position at the commencement date of the lease. The lease liability represents the Organization's obligation to make lease payments arising from the lessee arrangement and is initially and subsequently recognized based on the present value of future lease payments. The ROU asset represents the Organization's right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction, and is amortized on a straight-line basis over the terms of the associated leases. The lease term may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option.

Payment for short-term leases with a lease term of less than twelve months, and lease agreements below the Organization's approved annualized threshold, are recognized as expenses as incurred. The Organization has established a \$5,000 threshold, for total annual payments, for leases subject to FASB ASC TOPIC 842. Short-term leases and leases under the threshold are not included as lease liabilities or right of use assets on the Statement of Financial Position.

At implementation on July 1, 2022, the Organization, as lessee, recognized a lease liability of \$516,682 along with a corresponding right of use asset of \$513,454.

**United Way of Martin County, Inc.**  
**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE C – CASH AND CASH EQUIVALENTS**

Cash and cash equivalents total \$2,651,271 and \$2,003,097 at June 30, 2023 and 2022 and include \$2,413,180 and \$1,769,327, respectively in interest bearing accounts. The fair value of cash and cash equivalents approximates their carrying value at June 30, 2023 and 2022.

*Deposits* - Cash deposits are maintained at various financial institutions. At June 30, 2023 accounts are insured by the FDIC up to \$250,000 per financial institution regardless of whether they are interest bearing or not. The uninsured cash balances of United Way at June 30, 2023 and 2022 were \$600,711 and \$571,406. The uninsured balances are 100% collateralized by interests in obligations fully guaranteed as to principal and interest by the United States government or an agency thereof.

*Cash equivalents* - Included in cash equivalents are \$897,563 and \$55,333 of money market accounts at June 30, 2023 and 2022, respectively. These accounts are insured through the SIPC.

**NOTE D – LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2023 are:

Financial Assets	
Cash	\$ 2,652,131
Investments	6,638,342
Campaign receivables	298,947
Less financial assets held to meet donor imposed restrictions	<u>(5,833,804)</u>
Amount available for general expenditures within one year	<u>\$ 3,755,616</u>

**NOTE E - PLEDGES RECEIVABLE**

The 2022 campaign pledge receivables are expected to be received within one year. The Endowment Campaign pledges to be received in future years are reported at the present value of their future cash flows. Carrying amounts of pledges receivable approximates their fair value. Concentrations of credit risk with respect to the 2022 campaign pledge receivables are limited due to the large number of donors and their dispersion across different industries. Campaign receivables at June 30, 2023 totaled \$298,947 net of managements allowance for uncollectible pledges of \$125,000. The Endowment Campaign pledges receivable total \$285,827 (net of discount) and that entire amount is concentrated among two donors. Management has evaluated Endowment Campaign pledge receivables and believes that all amounts will be collected from the two donors; therefore, no allowance for doubtful collections has been established related to the Endowment Campaign pledges.

**United Way of Martin County, Inc.**  
**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE F – INVESTMENTS**

Debt and equity securities with readily determinable fair values purchased for investment are recorded at fair value based on quoted market prices. Net appreciation (depreciation) in the fair value of investments, which includes realized gains and losses and unrealized appreciation (depreciation) on those investments, is reported in the statement of activities. Cost basis is determined on the date of purchase.

Cost basis and approximate fair values of investment securities at June 30, 2023 and 2022 are summarized as follows:

	<b>June 30, 2023</b>		
	Cost Basis	Net Unrealized Gains / (Losses)	Fair Value
Mutual Funds	\$ 3,685,165	\$ 51,355	\$ 3,736,520
Exchange Traded Products	2,350,755	163,805	2,514,560
Certificates of Deposit - LT	390,000	(2,738)	387,262
	<b>\$ 6,425,920</b>	<b>\$ 212,422</b>	<b>\$ 6,638,342</b>
	<b>June 30, 2022</b>		
	Cost Basis	Net Unrealized Gains / (Losses)	Fair Value
Mutual Funds	\$ 3,711,800	\$ (174,887)	\$ 3,536,913
Exchange Traded Products	1,996,311	62,774	2,059,085
	<b>\$ 5,708,111</b>	<b>\$ (112,113)</b>	<b>\$ 5,595,998</b>

The United Way, on occasion, receives short-term investments, generally consisting of stocks or bonds, from donors in satisfaction of pledges made. The organization sells the contributed investments as soon as is practical after receipt. At June 30, 2023 and 2022, substantially all of the investments had been sold.

The composition of investment income included in the Statement of Activities and Changes in Net Assets is as follows:

Interest and dividends	\$ 169,366
Net realized and unrealized gains on investments	483,164
	<b>\$ 652,530</b>

Investment funds and securities held by brokerage institutions are insured by the Securities Investor Protection Corporation (SIPC) up to \$100,000 and \$500,000 respectively. The asset protection provided by the SIPC is not against losses from fluctuations in the value of the securities, but rather only if the brokerage firm ceases doing business. Investments subject to market risk of fluctuations in value at June 30, 2023 and 2022 include \$7,148,643 and \$5,651,331 in money market accounts, mutual funds and exchange traded products, respectively.



**United Way of Martin County, Inc.**  
**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE G – FAIR VALUE MEASUREMENTS**

The organization reports its fair value measures using a three-level hierarchy that prioritizes the inputs 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 inputs used to measure fair value are as follows:

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

Level 2 – Inputs to the valuation methodology include: Quoted prices for similar assets or liabilities in active markets; Quoted prices for identical or similar assets or liabilities in inactive markets; Inputs other than quoted prices that are observable for the asset or liability; 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 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 methodologies used at June 30, 2023 and 2022.

*Mutual funds and exchange traded products:* Valued at the net asset value of shares held by the entity at year end, which approximates fair value.

*Promises to give:* Valued at the pledge amount discounted to the present value of the future cash flows to be received.

Assets measured at fair value as of June 30, 2023 on a recurring basis comprise the following:

	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 3,736,520	\$ -	\$ -	\$ 3,736,520
Exchange Traded Products	2,514,560	-	-	2,514,560
Certificates of Deposit	387,262	-	-	387,262
<b>Total securities</b>	<b>6,638,342</b>	<b>-</b>	<b>-</b>	<b>6,638,342</b>
Promises to give	-	-	285,827	285,827
<b>Total Assets at Fair Value</b>	<b>\$ 6,638,342</b>	<b>\$ -</b>	<b>\$ 285,827</b>	<b>\$ 6,924,169</b>

**United Way of Martin County, Inc.**  
**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE G – FAIR VALUE MEASUREMENTS (continued)**

**Level 3 Gains and Losses**

The following table sets forth a summary of changes in the fair value of the entity's Level 3 assets for the fiscal year ended June 30, 2022.

**Level 3 Assets Year Ended June 30, 2023**

	Beginning Balance 6/30/22	Unrealized gains/losses relating to instruments still held at the reporting date	Purchases, Sales Issuances, and Settlements (net)	Ending Balance 6/30/23
Promises to give	\$ 473,502	\$ -	\$ (187,675)	\$ 285,827

Assets measured at fair value as of June 30, 2022 on a recurring basis comprise the following:

	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 3,536,913	\$ -	\$ -	\$ 3,536,913
Exchange Traded Products	2,059,085	-	-	2,059,085
Total securities	5,595,998	-	-	5,595,998
Promises to give	-	-	473,502	473,502
Total Assets at Fair Value	\$ 5,595,998	\$ -	\$ 473,502	\$ 6,059,500

**Level 3 Assets Year Ended June 30, 2022**

	Beginning Balance 6/30/21	Unrealized gains/losses relating to instruments still held at the reporting date	Purchases, Sales Issuances, and Settlements (net)	Ending Balance 6/30/22
Promises to give	\$ 543,647	\$ -	\$ (70,145)	\$ 473,502

Generally, for mutual funds, certificates of deposits, and exchange traded products, which are considered as available for sale, fair value is determined by reference to quoted market prices and other relevant information generated by market transactions (Level 1). The organization does not hold significant assets recorded at fair value using other observable inputs (Level 2) for the year ended June 30, 2023 or 2022. Other assets held and used are not considered significant to the financial statements as a whole and are not disclosed above. The fair value of loans and other long term debt is determined by reference to quoted market prices and other market information for similar assets.

**United Way of Martin County, Inc.**  
**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE H – FURNITURE, FIXTURES AND EQUIPMENT**

Fixed assets consisted of the following as of June 30, 2023 and 2022:

	2023	2022
Furniture	\$ 17,953	\$ 17,953
Office equipment	8,276	10,636
Building sign	3,490	8,716
Data processing equipment	44,490	43,336
Data processing software	19,266	19,266
	93,475	99,907
Less accumulated depreciation	87,531	90,919
Net furniture, fixtures and equipment	\$ 5,944	\$ 8,988

**NOTE I - COMPENSATED ABSENCES**

Employees of United Way are entitled to paid vacation and paid sick days. Annual vacation is accrued based on completed years of employment with United Way. Upon resignation, death, termination or retirement, employees are paid in one lump sum for accrued vacation as of the last day of employment. The amount of unused vacation earned was \$36,219 as of June 30, 2022. During fiscal year 22/23 the United Way changed its policy and no longer will pay out unused vacation time upon separation of employment. They will no longer carry a related liability on the balance sheet.

Employees are granted a certain number of hours for sick leave each year. Sick time may be accrued up to 30 days or 240 hours. All unused sick time will be forfeited upon separation of employment therefore no accrual was made at June 30, 2022.

**NOTE J - RETIREMENT PLAN**

United Way sponsors a retirement plan that covers all full-time employees. Board discretionary contributions to the plan are based on a percentage of the employee's salary. For the year ended June 30, 2023, the board approved discretionary contribution amount was 5 percent. Additionally, employees deferring compensation into the plan received up to an optional 3 percent match. For the year ended June 30, 2023, pension expense was \$44,341.

**NOTE K – LEASES**

The Organization has obligations as a lessee for office space with initial noncancelable terms in excess of one year. The Organization has classified this lease as an operating lease. The Organization's leases do not include termination options for either party to the lease. Payments due under the lease arrangements are comprised entirely of fixed payments, with some agreements including an agreed upon annual increase of the fixed amount.

**United Way of Martin County, Inc.**  
**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE K – LEASES (continued)**

In July 2020, the Organization entered into an agreement on a third addendum to lease building space which required 60 monthly payments ranging from \$5,866.67 to \$7,192.55. A fourth addendum was entered into in August 2023 in which United Way is giving back some of the office space in the previous lease agreements. The new addendum will require 84 monthly payments ranging from \$5,295.83 to \$6,323.50. The lease liability was measured at a discount rate of 2.88%, which is the Organization's risk-free rate from the US Treasury Par Yield Curve at July 1<sup>st</sup>, 2022. As a result of the lease, the Organization reported a right of use asset with a net book value of \$450,582 at June 30, 2023.

The lease cost for the year ended June 30, 2023 are as follows:

Operating Lease Cost	\$ 143,135
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Supplemental cash flow information related to leases was as follows:

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows from operating leases	\$ 80,263
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Non-cash investing and financing activities:

Additions to right of use assets obtained from:

New operating lease liabilities	\$ -
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Supplemental balance sheet information related to leases was as follows:

Operating Lease Right of Use Assets	\$ 450,582
Operating Lease Liabilities	\$ 450,442

Future minimum payments of lease liabilities under noncancellable operating leases as of June 30, 2023, were as follows:

Year Ending June 30,	Total
2024	\$ 66,518
2025	65,139
2026	67,093
2027	69,106
2028 and thereafter	232,653
Total minimum lease payments	500,509
Less: amount representing interest	(50,067)
Lease liability as of June 30, 2023	450,442

As of June 30, 2023, the weighted-average remaining lease term for all operating leases is 7.17 years. As the discount rate was not indicated on the lease agreements, the Organization utilized the incremental borrowing rate as the discount rate. The weighted-average discount rate associated with all operating leases is 2.88%. Amortization expense related to the right of use asset was \$62,872 for the year ended June 30, 2023 and accumulated amortization totaled \$125,744.

**United Way of Martin County, Inc.**  
**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE L – COMMUNITY SERVICE PROGRAMS**

The Organization provides community services programs in addition to the support it provides to the member agencies.

1. Volunteer United  
Volunteer United delivers creative solutions to community problems by mobilizing people and resources through collaborative efforts. United Way continues to sponsor AmeriCorps Seniors and the RSVP (Retired Senior Volunteer Program) through a federal grant from the Corporation for National and Community Service which provides for intergenerational programs that allow the strengths of one generation to meet the needs of another. Additionally, Volunteer United provides corporate and individual volunteer opportunities through Day of Caring events. Additional revenue for Volunteer United comes from United Way allocations, local grants, corporate sponsorships and designated contributions.
2. United Way Holiday Project  
The United Way Holiday Project (formerly known as White Doves) is a community wide effort to coordinate the distribution of food and toys to qualifying disadvantaged families for the holidays. United Way also serves as the sponsoring organization for the Toys for Tots program in Martin County. Expenses relate to purchases of food, bikes, toys, and direct project expenses. The United Way holiday project provided specific assistance totaling \$41,874 to Martin County families during the year ended June 30, 2023.
3. Community Impact Initiatives  
United Way convenes and participates in multiple task forces, networks and councils within diverse community sectors in an effort to identify, measure and track factors associated with the quality of life in Martin County so that community resources are allocated wisely.
4. Community Fund Distribution  
The Community Fund Distribution process considers all available resources and community needs for human care services in the allocation of United Way Funds. Volunteers review, assess and monitor agency operations and programs to ensure that donor contributions are well spent. For year ended June 30, 2023, approximately 949 volunteer hours were spent on the Community Fund Distribution process.

**United Way of Martin County, Inc.**  
**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE L – COMMUNITY SERVICE PROGRAMS (continued)**

5. Other Direct Program Services

Ride United offers free, round-trip, on demand rides to connect Martin County residents to education, employment, health care and other critical services. This program provides a critical service, eliminating the transportation barriers facing those in need of transportation assistance.

The Volunteer Income Tax Assistance (VITA) program offers free income tax preparation by IRS trained volunteers for Martin County residents meeting the Earned Income Tax Credit (EITC) guidelines.

Through its Tools for Success program United Way assists in providing supplies directly to classrooms of Martin County schools so that every student can start the year equipped with required learning materials without putting the burden of these expenses on the families.

United Way also provides information and referral services for residents that call or walk into our office; conducts community conversations to educate the public and discuss pertinent topics impacting our community; and manages the Leaders United and Students United programs which provide education, awareness and community outreach opportunities to adults and youth in our community.

**NOTE M – GRANTS FROM GOVERNMENTAL AGENCIES**

RSVP

United Way entered into agreements with the Corporation for National & Community Service to administer grant funds received in accordance with the grant applications as negotiated. The period of performance for all activities under the grants originally continued until August 29, 2012. The agreements have since been extended to June 30, 2024 and can be continued additionally through agreement by and between the parties. During the year ended June 30, 2023, United Way received \$98,844 under these agreements.

The following is a schedule of program sponsor matching requirements (9%) for the year ended June 30, 2023.

Total project costs (excluding depreciation):		
Federal		\$98,844
Non-federal		<u>19,350</u>
		118,194
Amounts received or receivable	\$98,844	
Match required	<u>9,776</u>	<u>108,620</u>
Excess Match		<u>\$ 9,574</u>

**United Way of Martin County, Inc.**  
**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE N – DESIGNATIONS FROM CONTRIBUTORS**

Total campaign results include local campaign pledges that are unrestricted as well as local campaign pledges restricted by donors (donor choice) in which United Way acts as an agent. These designations were to funded partners and non-funded agencies and other United Ways. Such donations are recorded in the accompanying financial statements for the year ended June 30, 2023 as local campaign receipts and deducted as amounts raised on behalf of others as follows:

Funded partners	\$	75,172
Non-funded agencies		57,130
Other United Ways		131,648
		\$ 263,950

The remaining liability was reported as designations payable at June 30, 2023 and payments were made in April 2023 and will be made in July 2023, October 2023 and February 2024.

**NOTE O – DISTRIBUTION OF UNITED WAY FUNDS**

United Way funds funded partners on a July 1 - June 30 funding cycle. Generally, allocations are paid in four quarterly installments. The United Way Board of Directors has approved allocation commitments to funded partners for payment during the twelve months ending June 30, 2024 amounting to \$919,910. Accordingly, the total liability of \$919,910 was accrued as of June 30, 2023. Listed below are allocations to funded partners for the 2022-2023 funding cycle.

**Funded Partners / Program Allocations**

**Agency**

Alzheimer's Community Care (FNC)	\$	50,000
SafeSpace		50,000
House of Hope (Project Hope)		47,250
The Salvation Army (Compassion House)		45,000
ARC of Martin County (ABLE Program)		40,500
House of Hope (Pantry)		38,500
Council on Aging (Meals on Wheels Program)		35,000
2-1-1 of the Treasure Coast		34,000
Helping People Succeed (HPS) (Baby Steps)		32,500
Martin County Healthy Start Coalition (Client Services & Delivery)		32,000
Love and Hope in Action		30,000
Helping People Succeed (HPS)(Community Living)		30,000
Alzheimer's Community Care (Specialized Day Care)		28,000
Council on Aging (Adult Day Health Program)		25,000
House of Hope (Golden Gate)		25,000
Suncoast Mental Health		25,000
Children's Emergency Resources		23,500
Hope Rural School		22,000
Caring Children Clothing Children		20,000
Hobe Sound Early Learning Center (Increase School Readiness)		20,000

**United Way of Martin County, Inc.**  
**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE O – DISTRIBUTION OF UNITED WAY FUNDS (continued)**

The Salvation Army (Basic Needs)	20,000
Tykes & Teens (YES Program)	20,000
D.A.T.A.	19,400
Project Lift (Substance Abuse)	17,250
Catholic Charities	16,000
Light of the World Charities	15,000
Mary's Home (Work Readiness Program)	15,000
Project Lift (Transportation/Employment Support)	14,750
Hope Center for Autism (Camp Scholarships)	13,800
Arc of Martin County (Youth After School Program)	13,750
The Banner Lake Club (Beyond Summer Slide)	12,960
The Banner Lake Club (Early Learning Center)	10,000
Guardians for New Futures	10,000
Hibiscus Children's Center (Shelter Literacy Program)	10,000
Inner Truth Project	10,000
Tykes & Teens (Willoughby Center)	10,000
Tykes & Teens (Early Childhood Mental Health)	10,000
Project Lift (Pre-Apprenticeship Program)	9,750
Life Builders (Building Lives, Protecting Community)	7,500
Epilepsy Foundation of Florida	6,500
Junior Achievement of the Palm Beaches & Treasure Coast	5,000
<b>Liability for Funds Allocated to Funded Partners</b>	<b>919,910</b>
<b>Special Program Allocations</b>	
Disaster Relief	35,160
Publix Emergency Funding	14,176
	<b>49,336</b>
<b>Other Allocations</b>	
Boys and Girls Club – Character Counts Program	10,470
Children's Home Society – Children in Need of Services	3,570
	<b>14,040</b>
<b>Funds Allocated to Internal Programs</b>	
<b>Program</b>	
Volunteer United	45,231
RSVP	14,236
	<b>59,467</b>
<b>Foundation Distributions</b>	
Lichtenberger Endowment – UWSLC	10,000
<b>Total Distribution of United Way Funds</b>	<b>\$ 1,052,753</b>



**United Way of Martin County, Inc.**  
**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE P – PAYMENTS TO AFFILIATED ORGANIZATIONS**

United Way of Martin County, Inc. made payments to affiliated organizations for the year ended June 30, 2023 as follows:

United Way of America	\$	29,612
United Way of Florida		6,481
 Total	 \$	 <u>36,093</u>

**NOTE Q - NET ASSETS**

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

Time Restrictions	\$	1,035,827
Tools for Success		4,960
Shared Services Network		53,585
Ride United		7,272
Campaign 22/23		10,000
Noble Operating Reserves		35,000
United Way Holiday Project		35,597
Other Grants and Programs		74,419
Perpetual Donor Restrictions		4,577,144
	 \$	 <u>5,833,804</u>

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

		2023
Time Restrictions	\$	112,675
Tools for Success		2,027
Holiday Project		3,100
Retired and Senior Volunteer Program		98,844
Earnings on Restricted Investments		445,926
Other Grants, Initiatives and Programs		5,000
	 \$	 <u>667,572</u>

Unrestricted net assets consist of the following:

		2023
United Way Foundation	\$	1,923,299
Unrestricted and undesignated		927,424
Designated for Emergencies		200,000
	 \$	 <u>3,050,723</u>

**United Way of Martin County, Inc.**  
**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE R - DONATED SERVICES**

While a substantial number of volunteers have donated their time in the organization's program services and fundraising campaigns, these services do not create or enhance non-financial assets, nor do they require specialized skills that if not provided by a volunteer would be purchased. Accordingly, while these services contribute to the success of the organization, they have not been reflected in the accompanying financial statements.

**NOTE S – ENDOWMENT**

FASB ASC 958-205 provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). FASB ASC 958-205 also requires additional disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds) whether or not the organization is subject to UPMIFA. The State of Florida enacted UPMIFA effective July 1, 2012 and applied to this organization for the 2012/2013 fiscal year.

During the year ended June 30, 2013 the Organization adopted the provisions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) in accordance with the requirements of the State of Florida and FASB 958-205. UPMIFA requires the historical dollar amount of a donor-restricted endowment fund to be preserved. In the absence of donor restrictions, the net appreciation on a donor-restricted endowment fund is spendable under UPMIFA. The Organization's donors have not placed restrictions on the use of investment income or net appreciation resulting from the donor-restricted endowment funds.

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to functions supported by its endowment while seeking to maintain the purchasing power of these endowment assets over the long-term. The Organization's spending and investing policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. To satisfy its long-term rate of return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places an emphasis on investments to achieve its long-term return objectives within prudent risk parameters. The spending policy establishes prudent objectives for the uses and purposes for which the endowment fund is established, consistent with the goal of conserving the purchasing power of the endowment. In making its decisions, the Organization uses reasonable care, skill, and caution in considering the purposes of the Organization, the intent of the donors of the endowment, the terms of applicable instruments, the long-term and short-term needs of the Organization in carrying out its purposes, the general economic conditions, the possible effect of inflation or deflation, or other resources of the Organization, and perpetuation of the endowment.

**United Way of Martin County, Inc.**  
**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE 5 – ENDOWMENT (continued)**

Endowment net asset composition by type of fund as of June 30, 2023 is as follows:

	Unrestricted	Donor Restrictions	Total
Donor-restricted endowment funds and appreciation	<u>\$ 1,923,299</u>	<u>\$ 5,612,971</u>	<u>\$ 7,536,270</u>

Changes in endowment net assets as of June 30, 2023 are as follows:

	Unrestricted	Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 1,306,352	\$ 5,040,454	\$ 6,346,806
Contributions/Events	21,500	701,935	723,435
Investment income	171,917	445,926	617,843
Appropriated/Released	423,530	(575,344)	(151,814)
Endowment net assets, end of year	<u>\$ 1,923,299</u>	<u>\$ 5,612,971</u>	<u>\$ 7,536,270</u>

Endowment net asset composition by type of fund as of June 30, 2022 is as follows:

	Unrestricted	Donor Restrictions	Total
Donor-restricted endowment funds and appreciation	<u>\$ 1,306,352</u>	<u>\$ 5,040,454</u>	<u>\$ 6,346,806</u>

Changes in endowment net assets as of June 30, 2022 are as follows:

	Unrestricted	Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 2,204,308	\$ 4,260,566	\$ 6,464,874
Contributions/Events	-	724,782	724,782
Investment income (loss), net	(888,499)	55,106	(833,393)
Appropriated/Released	(9,457)	-	(9,457)
Endowment net assets, end of year	<u>\$ 1,306,352</u>	<u>\$ 5,040,454</u>	<u>\$ 6,346,806</u>

**United Way of Martin County, Inc.**  
**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE T – UNITED WAY ADMINISTRATIVE EXPENSES**

Campaign expenses as a percentage of total public support raised for United Way of Martin County, Inc. and United Way of Martin County Foundation, Inc. combined was 10.96% for the year ended June 30, 2023. United Way combined administrative expense as a percentage of total revenue was 13.88% for the year ended June 30, 2023.

Campaign and marketing percentages were calculated by dividing the total fundraising expenses (campaign and marketing expenses on page six) before depreciation by total public support (page four) plus pass thru funds raised on behalf of other organizations. Administrative percentages were calculated by dividing total United Way supporting services expenses (page four) before depreciation expense by total support and revenue (page four) plus pass-thru funds raised on behalf of other organizations. Computation of these amounts is presented below.

**Campaign and marketing expenses as a percentage of net public support**

A.	Total Public Support (page 5)	\$ 2,709,581
	Add: Pass thru funds raised on behalf of other organizations	263,950
	Adjusted total Public Support	\$ 2,973,531
B.	Campaign and Marketing	\$ 328,306
	Less: Depreciation	2,472
	Adjusted total Campaign and Marketing expenses	\$ 325,834
	Campaign expenses as a percentage of total public support (B. divided by A.)	10.96%

**United Way Administrative expense as a percentage of total revenue**

A.	Total Support and Revenue (page 5)	\$ 3,691,309
	Add: Pass thru funds raised on behalf of other Organizations, net of administrative fees	263,520
	Adjusted Support and Revenues	\$ 3,954,829
B.	Total United Way Support Services (page 5)	
	Campaign and Marketing	\$ 328,306
	Management & General	225,558
		553,864
	Less: Depreciation	5,133
		\$ 548,731
	United Way Administrative expense as a percentage of total revenue (B. divided by A.)	13.88%

**United Way of Martin County, Inc.**  
**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE U – MANAGEMENT’S REVIEW OF SUBSEQUENT EVENTS**

In preparing the financial statement information, management has evaluated events and transactions for potential recognition or disclosure through October 12, 2023, the date the financial statements were available to be issued.

**NOTE V – INCOME TAXES**

The organization has adopted accounting policies required for uncertainty in income tax positions. The policies follow accounting guidance which clarifies the accounting and recognition for tax positions taken or expected to be taken in its income tax returns. The organization’s tax filings are subject to audit by various taxing authorities. The organizations federal income tax returns for June 30, 2022, 2021 and 2020 remain open to examination by the Internal Revenue Service. In evaluating the organization’s tax provisions, management believes that any estimates are appropriately based on current facts and circumstances.

**NOTE W – PRIOR PERIOD ADJUSTMENT – FASB ASC TOPIC 842 ADOPTION**

During 2023, the organization has adopted FASB ASC TOPIC 842 pertaining to leases. The organization rents its location through an operating lease. The lease term continues for another 85 months after June 30, 2023 and provides for renewal options.

Upon adoption of the new guidance, the organization has elected to apply the following package practical expedients:

- Contracts need not be reassessed to determine whether they are or contain leases.
- All existing leases that were previously classified as operating leases continue to be classified as operating leases, and all existing leases that were previously classified as capital leases continue to be classified as financial (capital) leases, if applicable.

The organization has made an accounting policy to apply the Treasury Yield Curve Rate as the discount rate used to measure lease liabilities and right-of-use assets at commencement of a lease.

**NOTE X – RESTATEMENT OF NET ASSETS**

Net assets were restated to properly reflect beginning net assets related to the implementation of a new accounting standard (Note W).

Net assets without donor restrictions – July 1, 2022, as previously reported	\$ 2,190,188
Increase in right of use assets	513,454
Increase in lease liabilities	<u>(516,682)</u>
Net assets without donor restrictions – July 1, 2022, restated	<u>\$ 2,186,960</u>

## **SUPPLEMENTARY INFORMATION**

**United Way of Martin County, Inc.**  
**COMBINING SCHEDULE OF FINANCIAL POSITION**  
**June 30, 2023**

	United Way of Martin County, Inc.	United Way of Martin County Foundation, Inc.	Total
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 1,635,718	\$ 1,016,413	\$ 2,652,131
Receivables			
Campaign receivable, net of allowance of \$125,000 for 2023 and \$150,000 for 2022	298,947	-	298,947
Endowment receivable, net of discount	-	119,086	119,086
Other receivables	45,234	-	45,234
Prepaid expenses	30,758	2,452	33,210
<b>Total current assets</b>	<b>2,010,657</b>	<b>1,137,951</b>	<b>3,148,608</b>
Furniture, fixtures and equipment net of accumulated depreciation	5,944	-	5,944
Right-of-use asset - Property, net of accumulated amortization	450,582	-	450,582
Security deposit	10,963	-	10,963
Endowment receivable, net of discount	-	166,741	166,741
Long-term investments	387,262	6,251,080	6,638,342
<b>Total assets</b>	<b>\$ 2,865,408</b>	<b>\$ 7,555,772</b>	<b>\$ 10,421,180</b>
<b>Liabilities and Net Assets</b>			
<b>Current liabilities</b>			
Leases payable, current portion	54,294	-	54,294
Allocations payable and other accrued liabilities	\$ 1,066,709	\$ 19,502	\$ 1,086,211
<b>Total current liabilities</b>	<b>1,121,003</b>	<b>19,502</b>	<b>1,140,505</b>
<b>Noncurrent liabilities</b>			
Leases payable	\$ 396,148	\$ -	\$ 396,148
<b>Total liabilities</b>	<b>\$ 1,517,151</b>	<b>\$ 19,502</b>	<b>\$ 1,536,653</b>
<b>Net assets</b>			
Without donor restrictions			
Undesignated	927,424	1,923,299	2,850,723
Designated	200,000	-	200,000
With donor restrictions	220,833	5,612,971	5,833,804
<b>Total net assets</b>	<b>1,348,257</b>	<b>7,536,270</b>	<b>8,884,527</b>
<b>Total liabilities and net assets</b>	<b>\$ 2,865,408</b>	<b>\$ 7,555,772</b>	<b>\$ 10,421,180</b>

**United Way of Martin County, Inc.**  
**COMBINING SCHEDULE OF ACTIVITIES**  
**For the year ended June 30, 2023**

	United Way of Martin County, Inc.	United Way of Martin County Foundation, Inc.	Total
Support and revenues			
Public support:			
Campaign results			
Annual Campaign	\$ 2,319,647	\$ 701,935	\$ 3,021,582
Less: Amounts raised on behalf of others	(263,950)	-	(263,950)
Less: Provision for uncollected pledge losses	(125,000)	-	(125,000)
Net campaign revenues	1,930,697	701,935	2,632,632
Disaster relief	-	-	-
Special events	55,449	21,500	76,949
Total public support	1,986,146	723,435	2,709,581
Revenues and grants from governmental agencies:			
ARPA Cares	24,313	-	24,313
Grant - Retired and Senior Volunteer Service	98,844	-	98,844
Total grants from governmental agencies	123,157	-	123,157
Other revenues and support:			
Other Grants	6,500	-	6,500
Other revenues			
Investment income	34,687	617,843	652,530
In-Kind goods and services	10,389	-	10,389
Other income	234,273	685	234,958
Administrative fees on amounts raised on behalf of others	430	-	430
Total other revenues	279,779	618,528	898,307
Total support and revenues	2,395,582	1,341,963	3,737,545
Expenses			
Program services			
Community program services	1,638,841	10,000	1,648,841
Supporting services			
Management and general	225,558	-	225,558
Campaign and marketing	232,043	142,499	374,542
Total supporting services	457,601	142,499	600,100
Total expenses	2,096,442	152,499	2,248,941
Change in net assets	299,140	1,189,464	1,488,604
Net Assets - July 1, 2022	1,049,117	6,346,806	7,395,923
Net Assets - June 30, 2023	\$ 1,348,257	\$ 7,536,270	\$ 8,884,527



**United Way of Martin County, Inc.**  
**COMBINING SCHEDULE OF FINANCIAL POSITION**  
**June 30, 2022**

	United Way of Martin County, Inc.	United Way of Martin County Foundation, Inc.	Total
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 1,710,298	\$ 292,799	\$ 2,003,097
Receivables			
Campaign receivable, net of allowance of \$150,000 for 2022 and \$150,000 for 2021	326,298	-	326,298
Endowment receivable, net of discount	-	184,075	184,075
Other receivables	23,484	-	23,484
Prepaid expenses	38,745	1,613	40,358
<b>Total current assets</b>	<b>2,098,825</b>	<b>478,487</b>	<b>2,577,312</b>
Furniture, fixtures and equipment net of accumulated depreciation	8,988	-	8,988
Right-of-use asset - Property, net of accumulated amortization	513,454	-	513,454 *
Security deposit	10,963	-	10,963
Endowment receivable, net of discount	-	289,427	289,427
Long-term investments	-	5,595,998	5,595,998
<b>Total assets</b>	<b>\$ 2,632,230</b>	<b>\$ 6,363,912</b>	<b>\$ 8,996,142</b>
			* Restated
<b>Liabilities and Net Assets</b>			
<b>Current liabilities</b>			
Leases payable, current portion	66,240	-	66,240 *
Allocations payable and other accrued liabilities	\$ 1,066,431	\$ 17,106	\$ 1,083,537
<b>Total current liabilities</b>	<b>1,132,671</b>	<b>17,106</b>	<b>1,149,777</b>
<b>Noncurrent liabilities</b>			
Leases payable	\$ 450,442	\$ -	\$ 450,442 *
<b>Total liabilities</b>	<b>\$ 1,583,113</b>	<b>\$ 17,106</b>	<b>\$ 1,600,219</b>
<b>Net assets</b>			
Without donor restrictions			
Undesignated	680,608	1,306,352	1,986,960 *
Designated	200,000	-	200,000
With donor restrictions	168,509	5,040,454	5,208,963
<b>Total net assets</b>	<b>1,049,117</b>	<b>6,346,806</b>	<b>7,395,923</b>
<b>Total liabilities and net assets</b>	<b>\$ 2,632,230</b>	<b>\$ 6,363,912</b>	<b>\$ 8,996,142</b>

**United Way of Martin County, Inc.**  
**COMBINING SCHEDULE OF ACTIVITIES**  
**For the year ended June 30, 2022**

	United Way of Martin County, Inc.	United Way of Martin County Foundation, Inc.	Total
Support and revenues			
Public support:			
Campaign results			
Annual Campaign	\$ 2,302,536	\$ 724,782	\$ 3,027,318
Less: Amounts raised on behalf of others	(352,592)	-	(352,592)
Less: Provision for uncollected pledge losses	(150,000)	-	(150,000)
Net campaign revenues	1,799,944	724,782	2,524,726
Disaster relief	-	-	-
Special events	54,686	3,000	57,686
Total public support	1,854,630	727,782	2,582,412
Revenues and grants from governmental agencies:			
ARPA Cares	37,197	-	37,197
Grant - Retired and Senior Volunteer Service	98,844	-	98,844
Total grants from governmental agencies	136,041	-	136,041
Other revenues			
Investment income	2,254	90,786	93,040
In-Kind goods and services	20,376	-	20,376
Other income	192,145	72,281	264,426
Administrative fees on amounts raised on behalf of others	1,003	-	1,003
Total other revenues	215,778	163,067	378,845
Total support and revenues	2,206,449	890,849	3,097,298
Expenses			* Restated
Program services			
Community program services	1,889,236	20,000	1,909,236
Supporting services			
Management and general	194,606	-	194,606
Campaign and marketing	226,864	145,758	372,622
Total supporting services	421,470	145,758	567,228
Total expenses	2,310,706	165,758	2,476,464
Net realized and unrealized loss on investments	5,692	924,179	929,871
Total expenses and losses	2,316,398	1,089,937	3,406,335
Change in net assets	(109,949)	(199,088)	(309,037)
Net Assets - July 1, 2021	1,159,066	6,545,894	7,704,960
Net Assets - June 30, 2022	\$ 1,049,117	\$ 6,346,806	\$ 7,395,923