

UNITED WAY OF BREVARD COUNTY, INC.
Financial Statements
June 30, 2024
With Independent Auditor's Reports

United Way of Brevard County, Inc.
Table of Contents
June 30, 2024

Independent Auditor's Report	1-3
Financial Statements	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8-20
Supplementary Information	
Schedule of Expenditures of Federal Awards	21
Notes to Schedule of Expenditures of Federal Awards	22
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	23-24
Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance	25-27
Schedule of Findings and Questioned Costs	28

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
United Way of Brevard County, Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of United Way of Brevard County, Inc. (a nonprofit organization) ("UWBC"), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of UWBC as of June 30, 2024, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"). 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 UWBC, 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.

Other Matter

The financial statements of UWBC as of and for the year ended June 30, 2023, were audited by another auditor, whose report dated January 24, 2024, expressed an unmodified opinion on those financial statements.

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 UWBC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of UWBC'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 UWBC'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2025, on our consideration of UWBC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of UWBC's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering UWBC's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Withum Smith + Brown, PC".

March 18, 2025

United Way of Brevard County, Inc.
Statement of Financial Position
June 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Assets			
Current assets			
Cash and cash equivalents	\$ 1,401,798	\$ 429,375	\$ 1,831,173
Investments	3,587,356	-	3,587,356
Grant and contract receivables	234,610	-	234,610
Unconditional promises to give, net	1,595,808	-	1,595,808
Inventory - noncash contributions	6,888	-	6,888
Prepaid expenses	16,554	-	16,554
Total current assets	<u>6,843,014</u>	<u>429,375</u>	<u>7,272,389</u>
Operating right-of-use lease assets, net	310,374	-	310,374
Property and equipment, net	27,292	-	27,292
Long-term board designated investments and other assets	<u>1,769,426</u>	<u>-</u>	<u>1,769,426</u>
Total assets	<u>\$ 8,950,106</u>	<u>\$ 429,375</u>	<u>\$ 9,379,481</u>
Liabilities and Net Assets			
Current liabilities			
Accounts payable and accrued expenses	\$ 161,263	\$ -	\$ 161,263
Board-approved agency allocations payable	2,436,800	-	2,436,800
Pass-through designations	149,827	-	149,827
Donor designations payable	220,579	-	220,579
Operating lease liability	73,199	-	73,199
Total current liabilities	<u>3,041,668</u>	<u>-</u>	<u>3,041,668</u>
Non-current operating lease liability	<u>241,667</u>	<u>-</u>	<u>241,667</u>
Net assets			
Without donor restrictions			
Undesignated	3,381,826	-	3,381,826
Board-designated for specific purposes	<u>2,284,945</u>	<u>-</u>	<u>2,284,945</u>
Total without donor restrictions	5,666,771	-	5,666,771
With donor restrictions	<u>-</u>	<u>429,375</u>	<u>429,375</u>
Total net assets	<u>5,666,771</u>	<u>429,375</u>	<u>6,096,146</u>
Total liabilities and net assets	<u>\$ 8,950,106</u>	<u>\$ 429,375</u>	<u>9,379,481</u>

The Notes to Financial Statements are an integral part of this statement.

United Way of Brevard County, Inc.
Statement of Activities
Year Ended June 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenues			
Campaign revenue			
Gross United Way campaign results	\$ 5,362,962	\$ 425,448	\$ 5,788,410
Gross other campaign results	198,847	-	198,847
Less donor-designated	(636,983)	-	(636,983)
Less provision for uncollectible pledges	<u>(397,239)</u>	<u>-</u>	<u>(397,239)</u>
Net campaign revenue	<u>4,527,587</u>	<u>425,448</u>	<u>4,953,035</u>
Other revenue			
Contributed non-financial assets	651,586	-	651,586
Grants and contracts	1,642,997	-	1,642,997
Investment income, net	322,392	-	322,392
Administration service fee revenue	24,499	-	24,499
Special events, net of expenses of \$57,501	(29,551)	-	(29,551)
Endowment investment income, net	160,874	-	160,874
Endowment contributions	72,772	-	72,772
Other	<u>17,680</u>	<u>-</u>	<u>17,680</u>
Total other revenue	2,863,249	-	2,863,249
Net assets released from restrictions	<u>635,337</u>	<u>(635,337)</u>	<u>-</u>
Total support and revenue	<u>8,026,173</u>	<u>(209,889)</u>	<u>7,816,284</u>
Expenses			
Program services	5,462,478	-	5,462,478
Management and general	480,440	-	480,440
Fundraising	<u>572,259</u>	<u>-</u>	<u>572,259</u>
Total expenses	<u>6,515,177</u>	<u>-</u>	<u>6,515,177</u>
Change in net assets	1,510,996	(209,889)	1,301,107
Net assets			
Beginning of year	<u>4,155,775</u>	<u>639,264</u>	<u>4,795,039</u>
End of year	<u>\$ 5,666,771</u>	<u>\$ 429,375</u>	<u>\$ 6,096,146</u>

The Notes to Financial Statements are an integral part of this statement.

United Way of Brevard County, Inc.
Statement of Functional Expenses
Year Ended June 30, 2024

	Community Impact and Program Services	Management and General	Fundraising	Total
Direct program expense				
Allocations to agencies	\$ 2,431,175	\$ -	\$ -	\$ 2,431,175
Strategic allocations and internal designations	97,117	-	-	97,117
Grant expenditures	491,926	-	-	491,926
	<u>3,020,218</u>	<u>-</u>	<u>-</u>	<u>3,020,218</u>
Salaries, wages, and employee benefits				
Salaries and wages	951,912	266,666	288,515	1,507,093
Payroll taxes	74,676	20,584	25,128	120,388
Employee benefits	238,181	27,755	46,774	312,710
	<u>1,264,769</u>	<u>315,005</u>	<u>360,417</u>	<u>1,940,191</u>
Other expenses				
Campaign supplies	2,001	-	357	2,358
Computer software	56,538	6,780	11,055	74,373
Contractual services	131,351	113,851	59,609	304,811
Contributor/volunteer recognition	312	-	2,396	2,708
Equipment, leases and maintenance	3,755	1,400	534	5,689
Insurance	18,505	3,806	3,722	26,033
Mileage and local travel	33,006	1,722	4,207	38,935
Miscellaneous	886	3,102	3,583	7,571
Office supplies	7,097	1,479	1,191	9,767
Occupancy	130,310	17,847	36,458	184,615
Payments to affiliated organizations	74,232	6,135	14,968	95,335
Postage	2,304	611	2,255	5,170
Promotional printing and advertising	10,695	2,960	54,878	68,533
Staff and volunteer development	16,367	697	9,883	26,947
Subscriptions, fees, and dues	7,093	1,044	4,225	12,362
Telephone	18,898	3,781	1,884	24,563
	<u>513,350</u>	<u>165,215</u>	<u>211,205</u>	<u>889,770</u>
Noncash expenses				
Non-financial expenses	661,738	-	-	661,738
Depreciation	2,403	220	637	3,260
	<u>664,141</u>	<u>220</u>	<u>637</u>	<u>664,998</u>
	<u>\$ 5,462,478</u>	<u>\$ 480,440</u>	<u>\$ 572,259</u>	<u>\$ 6,515,177</u>

The Notes to Financial Statements are an integral part of this statement.

United Way of Brevard County, Inc.
Statement of Cash Flows
Year Ended June 30, 2024

Operating activities

Change in net assets	\$ 1,301,107
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	3,260
Unrealized and realized gains on investments	(285,663)
Provision for uncollectible pledges	397,239
Amortization of operating right-of-use lease assets	108,997
Changes in operating assets and liabilities	
Grants and contract receivables	81,288
Unconditional promises to give	(268,601)
Inventory - noncash contributions	9,437
Prepaid expenses	19,989
Accounts payable and accrued expenses	42,440
Other current liabilities	(9,680)
Board-approved agency allocations payable	(173,872)
Pass-through designations	2,571
Donor designations payable	(103,050)
Operating lease liability	<u>(107,892)</u>
 Net cash provided by operating activities	 <u>1,017,570</u>

Investing activities

Purchases of property and equipment	(26,070)
Purchase of investments	(1,856,094)
Proceeds from sales of investments	<u>1,539,471</u>
 Net cash used in investing activities	 <u>(342,693)</u>

Net change in cash and cash equivalents

674,877

Beginning of year

1,156,296

End of year

\$ 1,831,173

Supplemental disclosure of noncash activities

Derecognition of right-of-use lease assets and operating lease liability through early lease terminations	<u>\$ 85,320</u>
---	------------------

The Notes to Financial Statements are an integral part of this statement.

United Way of Brevard County, Inc.
Notes to Financial Statements
June 30, 2024

1. ORGANIZATION AND NATURE OF ACTIVITIES

United Way of Brevard County, Inc. (“UWBC” or the “Organization”) is a health and human services not-for-profit organization based in Rockledge, Florida. UWBC began in 1957 and was established to help the Brevard County community through resource development, community planning, and direct community services. It is governed by a volunteer Board of Directors representing many interests within the county.

UWBC’s mission is to be Brevard County’s leader in mobilizing the caring power of UWBC’s community. To accomplish that mission, UWBC coordinates an annual fundraising campaign and strategically distributes funds to local programs based on the potential return on investment and quantifiable results. In addition to the annual fundraising campaign, the Organization, guided by a Board of Directors, sets and funds community priorities to improve lives and strengthen the community. UWBC’s major program initiatives include the following:

Health

Being healthy is vital, making it possible for youth to be successful in school, individuals to be productive at work, and for all to live a good life. One way UWBC improves community health is through the Summer Feed and Read Program. This cross-promotional strategy addresses summer hunger and reading loss by providing children with books and take-home meals during when school is out during the summer. Summer is a critical time for both learning loss and hunger for children.

Education

Quality education is the cornerstone of our work in changing lives and strengthening our community. Research shows that a strong educational foundation leads to better employment opportunities and a more competitive workforce. Higher educational attainment is a direct corollary to higher income, better health and a host of other factors that make individuals and communities more productive. United Way’s educational strategies include greater access to books, 2nd Grade reading incentive program and reducing summer learning loss.

Financial Stability

Without the ability to pay their mortgage or rent, families may find it impossible to achieve a sense of security, let alone take the steps necessary to create a better life for themselves. That’s why UWBC’s work in income is focused on helping people become financially stable through financial education. The “FDIC ‘Money Smart’ course” teaches how to budget, save money, and use credit wisely.

Mission United

Mission United is a program helping veterans returning to civilian life providing the help needed to reengage in the community they call home. This initiative connects veterans and their families with the services they need—from securing a roof over their heads, to finding a stable job, to getting health treatment.

Housing Opportunities for Persons with AIDS (“HOPWA”) Program

UWBC serves as the fiscal agent for the HOPWA program which provides mortgage, rent, and utilities assistance to people that qualify under a grant from the Florida Department of Health.

Gifts in Kind Program

UWBC provides its local nonprofit partners access to quality donated goods to improve the organization’s ability to provide services that make its community safer and stronger.

UWBC is a member of United Way Worldwide (“Worldwide”). As such, UWBC is committed to complying with the requirements contained in Worldwide’s *Financial Statement Standards* and *Cost Deduction Standards*.

United Way of Brevard County, Inc.
Notes to Financial Statements
June 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

Financial statement presentation follows the recommendations of Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 958, *Not-for-profit Entities*, as amended by Accounting Standard Update (“ASU”) No. 2016-14.

FASB ASC 958 requires a not-for-profit entity to present on the face of the statement of financial position amounts for two classes of net assets: net assets without donor restrictions and net assets with donor restrictions; and on the face of the statement of activities the amount of change in each of the two classes. In addition, the Organization is required to present:

- The amounts of expenses by both their natural classification and their functional classification, including disclosures concerning the methods used for cost allocation between functional classifications.
- Qualitative and quantitative disclosure information on liquidity and availability of financial assets to meet the Organization’s cash needs for general expenditures within one year.
- The composition of donor-restricted net assets at period-end.
- Self-imposed limits on use of resources without donor restrictions at the end of the period, including designations and reserves.
- Investment returns net of external and direct internal investment expenses and no longer require the disclosure of those netted expenses.

Cash and Cash Equivalents

For purposes of the statement of cash flows, UWBC considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments

Investments are reported in the statement of financial position at fair value based on quoted market prices. Investments designated and held for long-term purposes by the Board of Directors are classified as non-current assets in the accompanying statement of financial position. Investment income consists of interest income, dividend income, and realized and unrealized investment gains and losses, net of investment expenses. Any change in fair value is included as a component of current earnings. Dividends on marketable equity securities are recognized as income when declared. Gains and losses upon disposal are determined on the first-in, first-out basis.

Grants and Contract Receivables

Revenue from government grants designated for use in specific activities is recognized in the period when the expenditures have been incurred in compliance with the grantor’s restrictions. Cash received in excess of revenue recognized is recorded as deferred revenue. It is the policy of UWBC management to review the outstanding receivables at year-end to determine the collectability of the accounts. Based on current account composition and historical experience, management considers all receivables to be fully collectible, and as such, no allowance for uncollectible receivables has been reported on the accompanying statement of financial position as of June 30, 2024.

United Way of Brevard County, Inc.
Notes to Financial Statements
June 30, 2024

Unconditional Promises to Give

Campaigns are conducted on a calendar year basis. The majority of unconditional promises to give are made during the fall pledge drive and are due by the end of the following campaign year, which typically runs from March through the following February. Thus, campaign contributions are treated as with donor restrictions in the year of the campaign and are transferred to without donor restrictions the following year when the time restriction has expired, and the campaign proceeds are used to fund UWBC's programs and supporting services.

An allowance for uncollectible pledges is calculated for each campaign. The allowance for uncollectible pledges is based on gross pledges. This allowance takes into consideration historical collection experience and current economic factors. An allowance for uncollectible pledges totaling 7% for the 2024 campaign year was recorded.

Inventory – Noncash Contributions

Inventory consists of donated merchandise to be distributed to nonprofit organizations in Brevard County, Florida and is reflected at its estimated fair value at the time of the donation.

Property and Equipment

Buildings, improvements, and furniture and equipment are recorded at cost if purchased or at estimated fair value at date of donation if donated. Depreciation is computed on the straight-line basis over the expected useful lives of the assets, with buildings and improvements depreciated over thirty-nine years, vehicles over five years, and furniture and equipment over three to twelve years. Other expenditures for repairs and maintenance are expensed as incurred. The carrying amount and accumulated depreciation of assets that are sold or retired are removed from the accounts in the year of disposal and any resulting gain or loss is included in the statement of activities.

Allocations Payable to Agencies

UWBC annually allocates funds to its partner agencies. Each year, the Board of Directors approves the total amount of allocations to be distributed for the next fiscal year. The amounts allocated to the individual agencies are determined by community volunteers during the annual fund distribution process. Once the Board approves the allocations, agreements are executed with the agencies prior to June 30th of each year. Allocations are recognized as an expense and a liability when communicated to the agencies.

Pass-through Designations

Donor designations are cash or pledges that the donor specifically directs to another United Way agency. Under accounting principles generally accepted in the United States of America ("U.S. GAAP"), pass-through designations do not constitute campaign revenue or program expense and are reported on the statement of financial position as a current liability. These funds are held by UWBC as an agent and are distributed to the intended organizations when collected, net of a service fee for the applicable campaign year, with a maximum of \$75 per donor.

Donor Designations

Donor designations are cash or pledges that the donor specifically directs to a particular 501(c)(3) health and human service organization. Under U.S. GAAP, donor designations do not constitute campaign revenue or program expense and are reported on the statement of financial position as a current liability.

These funds are held by UWBC as an agent and are distributed to the intended organizations when collected, net of a service fee for the applicable campaign year, with a maximum of \$75 per donor.

United Way of Brevard County, Inc.
Notes to Financial Statements
June 30, 2024

Net Assets

Not-for-profit organizations are required by U.S. GAAP to classify net assets into two categories based on the existence or absence of donor-imposed restrictions:

Without Donor Restrictions: Those that are not subject to any donor-imposed restrictions.

With Donor Restrictions: Those subject to donor-imposed restrictions either for purpose or time. All contributions to UWBC are considered available for use unless specifically restricted by the donor. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire during the fiscal year in which the contributions are received. Investment income that is limited to specific uses by donor restrictions is reported as an increase in net assets without donor restrictions if the restrictions are met within the same reporting period as the income is recognized. All other donor-restricted contributions are reported as net assets with donor restrictions which are reclassified to net assets without donor restrictions in future periods when the donor stipulations have been met.

Board-designated net assets are voluntary, board-approved segregations of the UWBC net assets without donor restrictions for specific purposes.

Support and Revenue Recognition

Pledges and other donations are recognized as revenue when received or when the donor makes an unconditional promise to give to UWBC, whichever is earlier. Noncash donations are recorded at their estimated fair value on the date of receipt. Conditional promises to give, including cost reimbursable grants and contracts, are recognized when the conditions on which they depend are substantially met.

Contributions are recognized as revenue, increasing net assets without donor restrictions unless the donor restricts their use to a particular period or purpose. In the absence of donor stipulations to the contrary, UWBC reports pledges restricted for use as time restricted to that period. Time restrictions expire when the pledges are due. Purpose restrictions expire when the contributed resources are spent for their stipulated purpose.

UWBC does not receive membership dues or service charges from charitable organizations participating as members in the federation.

Fundraising Expenses

Fundraising expenses are recognized when incurred, regardless of the campaign year to which they relate.

Functional Expenses

Expenses are charged to each function or grant based on direct expenditures incurred. There are specific allocation tables prepared based on the location and function of the staff. Staff time studies and usage reports are used to determine the allocation of functional expenses. All costs are directly expensed if the identification of the specific expense is possible. If an expense is not able to be charged directly to a specific program but benefits all programs and is necessary for the operation of the organization, it is allocated based on the following factors:

- 1) Percent of total time for all staff on specific programs.
- 2) Determining if the expense is allowable and allocable.
- 3) The staff's office location.
- 4) The office location where the expense was incurred.

Management develops the plan in a reasonable and consistent method for the allocation of all eligible expenses.

United Way of Brevard County, Inc.
Notes to Financial Statements
June 30, 2024

Leases

UWBC categorizes leases with contractual terms longer than twelve months as either operating or finance. Finance leases are generally those leases that allow UWBC to substantially utilize or pay for the entire asset over its estimated life. All other leases are categorized as operating leases. Leases with contractual of 12 months or less are not recorded on the statement of financial position. UWBC did not have any financing leases for the year ended June 30, 2024.

Certain lease contracts include obligations to pay for other services, such as operations, property taxes, and maintenance. For leases of property, UWBC accounts for these other services as a component of the lease. For all other leases, the services are accounted for separately and UWBC allocates payments to the lease and other services components based on estimated stand-alone prices.

Lease liabilities are recognized at the present value of the fixed lease payments, reduced by any incentives using a discount rate based on the risk-free rate at time of lease execution or adoption. Right-of-use assets are recognized based on the initial present value of the fixed lease payments, reduced by any incentives and any direct costs from executing the leases. Lease assets are tested for impairment in the same manner as long-lived assets used in operations.

Options to extend lease terms, terminate leases before the contractual expiration date, or purchase the leased assets, are evaluated for their likelihood of exercise. If it is reasonably certain that the option will be exercised, the option is considered in determining the classification and measurement of the lease.

Costs associated with operating lease assets are recognized on a straight-line basis within operating expenses over the term of the lease.

Promotional Printing and Advertising Costs

UWBC expenses its promotional printing and advertising costs as incurred. Promotional printing and advertising expenses totaled \$68,533 for the year ended June 30, 2024.

Income Taxes

UWBC is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and from Florida income tax under Chapter 220 of the Florida Statutes. Accordingly, no provision for income taxes has been included in the accompanying financial statements.

GAAP prescribes requirements for the recognition of income taxes in financial statements, and the amounts recognized are affected by income tax positions taken by the UWBC in its tax returns. UWBC's status as an exempt organization is defined as an income tax position under these requirements. While management believes it has complied with the Internal Revenue Code, the sustainability of some income tax positions taken by UWBC in its tax returns may be uncertain.

There are minimum thresholds of likelihood that uncertain tax positions are required to meet before being recognized in the financial statements. Management does not believe that UWBC has any material uncertain tax positions at June 30, 2024.

In the event interest and penalties were due relating to an unsustainable tax position, they would be treated as a component of income tax expense. No interest or penalties were due for the year ended June 30, 2024.

Contributed Non-Financial Assets

A substantial number of volunteers donate significant amounts of their time to support UWBC's fundraising campaign and community initiatives. However, since the donated time does not meet the criteria for recognition under U.S. GAAP, the costs of the donated time are not included in the financial statements.

United Way of Brevard County, Inc.
Notes to Financial Statements
June 30, 2024

Donated materials are reflected as support in the accompanying statements of activities at their estimated fair value at the date of receipt. It is UWBC's policy to utilize donated materials in various programs. A corresponding expense for distributed donations is recorded at the time of distribution. Donated materials that were not yet distributed to agencies are reflected as inventory – noncash contributions on the statement of financial position.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from these estimates.

Subsequent Events

UWBC's management has evaluated subsequent events through March 18, 2025, the date which the financial statements were available to be issued. Based upon this evaluation, UWBC has determined that no subsequent events have occurred which require adjustment to or disclosure in the financial statements.

3. INVESTMENTS

UWBC's investments are measured at fair value based on unadjusted quoted market prices within active markets. Long-term investments consist of investment accounts intended for long-term purposes. As of June 30, 2024, investments consist of short-term equity securities of \$3,587,356 and long-term equity securities of \$1,759,960. Included in long-term investments are securities assigned to board designations for special purpose endowments totaling \$1,343,189 and designations for the board's building fund endowment of \$416,771 at June 30, 2024 (see Note 6).

Investments consist of the following at June 30, 2024:

	<u>Historical Cost</u>	<u>Unrealized Gains (Losses)</u>	<u>Market Value</u>
Exchange-traded products			
Equity - U.S. Large Cap	\$ 489,578	\$ 156,870	\$ 646,448
Equity - U.S. Mid Cap	419,168	104,691	523,859
Equity - U.S. Small Cap	90,497	56,054	146,551
Fixed income	<u>549,099</u>	<u>(54,735)</u>	<u>494,364</u>
Total exchange-traded products	<u>1,548,342</u>	<u>262,880</u>	<u>1,811,222</u>
Mutual funds			
Equity - U.S. Large Cap	\$ 1,153,000	\$ 144,163	\$ 1,297,163
Equity - U.S. Mid Cap	153,000	17,631	170,631
Equity - U.S. Small Cap	103,000	14,410	117,410
Equity - International	275,000	10,002	285,002
Fixed income	<u>1,581,732</u>	<u>84,156</u>	<u>1,665,888</u>
Total mutual funds	<u>3,265,732</u>	<u>270,362</u>	<u>3,536,094</u>
Total investments	<u>\$ 4,814,074</u>	<u>\$ 533,242</u>	<u>\$ 5,347,316</u>

United Way of Brevard County, Inc.
Notes to Financial Statements
June 30, 2024

The following schedule summarizes the investment and long-term board designated investment income in the statements of activities for the year ended June 30, 2024:

Investments	
Interest and dividend income	\$ 129,426
Net realized and unrealized gains	214,784
Investment expenses	<u>(21,818)</u>
	322,392
Long-term board designated investments	
Interest and dividend income	67,803
Net realized and unrealized gains	<u>93,071</u>
	<u>\$ 483,266</u>

4. UNCONDITIONAL PROMISES TO GIVE, NET

Unconditional promises to give to UWBC for the subsequent fiscal year are measured at net realizable value. Future cash flows from UWBC's annual campaign are estimated using experience gained from previous campaigns. As of June 30, 2024, UWBC had net unconditional promises to give of \$1,595,808, which included allowances for estimated uncollectible pledges of \$392,582. Unconditional promises to give are expected to be collected within one year from the financial statement date.

5. PROPERTY AND EQUIPMENT

At June 30, 2024, property and equipment, net consisted of the following:

Vehicle	\$ 46,409
Furniture and equipment	<u>43,471</u>
Total property and equipment, at cost	89,880
Less: Accumulated depreciation	<u>(62,588)</u>
Total property and equipment, net	<u>\$ 27,292</u>

Depreciation expense charged to operations totaled \$3,260 for the year ended June 30, 2024.

6. LONG-TERM INVESTMENTS AND OTHER ASSETS

At June 30, 2024, other assets consisted of the following:

Investments - Building Fund, at fair value (see Note 3)	\$ 416,771
Investments - Endowment Fund, at fair value (see Note 3)	1,343,189
Donated life insurance policy	<u>9,466</u>
	<u>\$ 1,769,426</u>

The donated life insurance policy represents the cash surrender value of a single life insurance policy received by UWBC through the United Way Life program offered by United Way Worldwide which enables United Way donors to make gifts through the use of life insurance products from a range of insurance companies. The policy has a current death benefit of \$100,000 with UWBC named as the beneficiary. All policy premiums are paid by the insured and considered to be contributions to UWBC.

United Way of Brevard County, Inc.
Notes to Financial Statements
June 30, 2024

7. LINE OF CREDIT

In December 2016, UWBC established a securities-based line of credit with a credit limit of \$1,025,000. The interest rate is at the one-month LIBOR plus 3.00% (8.45% as of June 30, 2024). Borrowings on the line of credit are secured by the investments in a brokerage account. For the year ended June 30, 2024, there were no funds drawn or interest expense on the line of credit.

8. BOARD-APPROVED AGENCY ALLOCATIONS PAYABLE

Unconditional promises to give to member agencies recorded at the amount expected to be allocated within the next fiscal year. Future cash flows from UWBC's annual campaign are estimated using experience gained from previous campaigns. As of June 30, 2024, UWBC's board-approved agency allocations payable were \$2,436,800.

9. DONOR-DESIGNATIONS PAYABLE

Donor designations are defined in FASB ASC 958-605-25 as agent transactions. Donor-designated assets include cash or pledges intended by the donors to be transferred through UWBC to specified beneficiaries. As of June 30, 2024, donor designated funds payable to third parties were \$220,579.

10. PASS-THROUGH-DESIGNATIONS PAYABLE

Pass-through designations are defined in FASB ASC 958-605-25 as agent transactions. Pass-through-designated assets include cash or pledges intended by the donors to be transferred through UWBC to other specified United Way agencies. As of June 30, 2024, pass-through designated funds payable to other United Way agencies were \$149,827.

11. BOARD-DESIGNATED NET ASSETS

Board-designated net assets consist of the following as of June 30, 2024:

Building Fund	\$ 442,092
Endowment Fund	1,387,686
Strategic Allocation Fund	453,577
Disaster Relief Fund	<u>1,590</u>
	<u>\$ 2,284,945</u>

Policies related to board-designated endowments are as follows:

Investment policy

UWBC has an investment policy that delegates the investment responsibilities to the finance committee for appropriate review, as per the investment plan dated October 24, 2018. This investment plan stipulates that the executive committee approves the investment policy and presents it to the board of directors.

Spending policy

UWBC has a spending policy that governs the rate at which funds are transferred from the endowment to the operating fund. The ordinary income from interest and dividends as well as gains in investments from the endowment fund may be distributed as deemed prudent to carry out programs for persons then present in or living in Brevard County, Florida. Transfers were made in accordance with the aforementioned spending policy. The board of directors has responsibility to manage the utilization of the endowment funds.

United Way of Brevard County, Inc.
Notes to Financial Statements
June 30, 2024

12. NET ASSETS WITH DONOR RESTRICTIONS

As of June 30, 2024, net assets with donor restrictions were comprised of the following:

With donor restrictions - as to purpose:

Disaster relief	\$ 49,662
Grants and sponsorships	144,961
Internal designations	
Health	39,668
Education	49,500
Restricted due to time restrictions	
Campaign revenue (current year)	<u>145,584</u>
Total net assets with donor restrictions	<u>\$ 429,375</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or through expiration of time restrictions for the years ended June 30 as follows:

Purpose restrictions met:

Emerging leaders	\$ 2,352
Grants and sponsorships	88,754
Internal designations	
Health	45,000
Education	60,602
Other	97,974
Harris Milestones	184,303

Time restrictions met:

Campaign revenue (current year)	<u>156,352</u>
Total net assets released from donor restrictions	<u>\$ 635,337</u>

13. CONTRIBUTED NONFINANCIAL ASSETS

UWBC receives contributed nonfinancial assets under its Gifts in Kind program in the form of books and publications, clothing, electronics, and household items, medical supplies, food and professional services. Contributed nonfinancial assets for the year ended June 30, 2024, were as follows:

Books and publications	\$ 87,035	Program Services	No associated donor restrictions	Contributed books and publications are valued based on the retail value of the items.
Clothing and household items	199,210	Program Services	No associated donor restrictions	Contributed clothing and household items are valued based on the retail value of the items.
Medical supplies	1,917	Program Services	No associated donor restrictions	Contributed medical supplies are valued based on the retail value of the items.
Food	7,199	Program Services	No associated donor restrictions	Contributed food is valued based on the retail value of the items.
Electronics	17,460	Program Services	No associated donor restrictions	Contributed electronics is valued based on the retail value of the items.
Professional services		Program Services	No associated donor restrictions	Contributed professional services are valued based on the fair value of the contributed services.
	<u>338,765</u>			
	<u>\$ 651,586</u>			

United Way of Brevard County, Inc.
Notes to Financial Statements
June 30, 2024

In addition, many volunteers contributed their time to support UWBC. During the year ended June 30, 2024, approximately 5,700 service hours were donated by approximately 1,409 volunteers. These service hours do not meet the criteria for recognition as contributed services under FASB 958, *Revenue Recognition - Contributions Received*.

14. FAIR VALUE MEASUREMENTS

FASB ASC 820, *Fair Value Measurements and Disclosures* established a 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 under FASB ASC 820 are described 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; and
- 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 fair value.

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.

The 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, 2024.

Mutual funds and Exchange-Traded Products (ETPs): Valued at the net asset value of shares held at year-end.

Donated life insurance policy: Valued at the reported cash surrender value as determined by the insurer using a proprietary model.

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.

United Way of Brevard County, Inc.
Notes to Financial Statements
June 30, 2024

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2024:

	Assets at Fair Value as of June 30, 2024			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds and ETPs	\$ 5,347,316	\$ -	\$ -	\$ 5,347,316
Donated Life Insurance Policy	-	-	9,466	9,466
	<u>\$ 5,347,316</u>	<u>\$ -</u>	<u>\$ 9,466</u>	<u>\$ 5,356,782</u>

15. RETIREMENT PLAN

UWBC maintains a 401(k) retirement plan for all employees who have attained age 21 and completed the minimum service requirements. Under the plan, all employees who meet eligibility requirements may contribute up to certain limits established by the Internal Revenue Code. UWBC currently matches up to 2% of the employees' contributions to the 401(k) plan and has made an additional employer contribution of 8% all eligible employees' salaries. For the year ended June 30, 2024, UWBC's retirement contributions totaled \$97,129.

16. RELATED PARTY TRANSACTIONS

Association

UWBC is a local, autonomous organization governed by a volunteer board of directors. UWBC has chosen to associate with United Way Worldwide and United Way of Florida. These international and state organizations provide systems through which local United Ways can act in unison on major issues affecting health and human services. For the year ended June 30, 2024, dues paid by UWBC to these organizations for assistance with planning, training, communication campaigns, and market research were \$95,335.

Vendor

UWBC has been associated with Sky Advertising for many years whose owner was the campaign chair for 2023 and on the executive committee. Expenses for the year ended June 30, 2024, totaled \$14,279.

17. COMMITMENTS AND CONTINGENCIES

Concentrations of Business and Credit Risks

UWBC has significant cash balances at financial institutions which throughout the year regularly exceed the federally insured limit of \$250,000. Any loss incurred or a lack of access to such funds could have a significant adverse impact on UWBC's financial condition, change in net assets, and cash flows. UWBC's grants receivable arise as a result of agreements with third parties to provide specified services. The grants are monitored on a monthly basis and are not collateralized.

Economic Dependency

During the year ended June 30, 2024, UWBC received 13% of its support and revenues from its grant with The Ounce of Prevention Fund of Florida. As of June 30, 2024, 10% of UWBC's receivables were from The Ounce of Prevention Fund of Florida. Effective June 30, 2024, UWBC's grant agreement with The Ounce of Prevention Fund of Florida was terminated.

UWBC is dependent upon undesignated contributions from corporate and individual donors to support its program services. The level of such contributions can be affected by economic conditions in the Brevard County area. In addition, the choice on the part of donors to designate their gifts to specific agencies can result in reduced funding available for allocations and grants. A decrease in undesignated contributions could adversely impact UWBC's ability to provide community services and allocate funds to local not-for-profit organizations.

United Way of Brevard County, Inc.
Notes to Financial Statements
June 30, 2024

In addition, UWBC is dependent upon continued grant awards and funding. If funding were reduced or terminated, there would be a significant negative impact in services that can be provided to the community.

The Organization participates in various federally and state funded grant programs that are subject to review and audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal and state regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a review or audit may become a liability of the Organization. As of the date of this report, the Organization is not aware of any such instances.

18. LEASE COMMITMENTS

As of June 30, 2024, the Organization has a non-cancellable operating lease for office space, with monthly rent payments ranging from \$7,078 to \$7,216, expiring in June 2028.

As of June 30, 2024, the weighted average discount rate related to operating lease was 4.46%. As of June 30, 2024, the weighted average remaining life of the Organization's office space lease was 4 years. For the year ended June 30, 2024, cash paid for operating leases totaled \$128,324, of which \$20,432 represented interest.

The following represents the future lease payments due under the Organization's operating lease as of June 30, 2024:

2025	\$ 85,766
2026	85,950
2027	86,135
2028	<u>86,597</u>
Total lease payments	344,448
Less: Interest	<u>(29,582)</u>
Present value of lease liability	<u>\$ 314,866</u>

United Way of Brevard County, Inc.
Notes to Financial Statements
June 30, 2024

19. FINANCIAL ASSETS AND LIQUIDITY RESOURCES

UWBC's financial assets available within one year of June 30, 2024, for general expenditures are as follows:

Cash and cash equivalents	\$ 1,831,173
Investments	3,587,356
Grant and contract receivables	234,610
Unconditional promises to give, net	<u>1,595,808</u>
Total financial assets available within one year	7,248,947
Less: Amounts unavailable for general expenditures within one year, due to	
Donor restricted net assets	(429,375)
Board-designated for specific purposes*	<u>(515,519)</u>
	<u>(944,894)</u>
Total financial assets available to management	<u>\$ 6,304,053</u>

*Amount is reduced by balances held in long-term board designated investments as of June 30, 2024.

As part of UWBC's liquidity management, it has a policy to structure its financial assets according to their nearness of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash.

SUPPLEMENTARY INFORMATION

United Way of Brevard County, Inc.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>
Federal Awards Programs			
<u>U.S. Department of Health and Human Services</u>			
Promoting Safe and Stable Families			
Passed through Ounce of Prevention/Healthy Families Florida	93.556	HF-20-25	\$ 158,441
Temporary Assistance for Needy Families Block Grant			
Passed through Ounce of Prevention/Healthy Families Florida	93.558	HF-20-25	290,056
Cooperative Agreement to Support Navigators In Federally-facilitated Exchanges			
Passed through Centers for Medicare and Medicaid Services University of South Florida	93.332	CA-NAV-21-002	<u>35,209</u>
Total for U.S. Department of Health and Human Services			<u>483,706</u>
<u>Internal Revenue Service</u>			
Volunteer Income Tax Assistance (VITA)	21.009	24VITA0227	<u>40,000</u>
<u>U.S. Department of Housing and Urban Development</u>			
Housing Opportunities for Persons With AIDS (HOPWA)			
Passed through State of Florida Department of Health - Division of Disease Control and Health Protection	14.241	FLH21F999	<u>521,676</u>
<u>Corporation for National and Community Service</u>			
AmeriCorps Volunteers In Service to America			
Passed through Volunteer Florida AmeriCorps Volunteers in Service to America	94.013	16VSSFL010	<u>2,539</u>
Total expenditures of federal awards			<u>\$ 1,047,921</u>

See Independent Auditor's Report.
See accompanying Notes to Schedule of Expenditures of Federal Awards.

United Way of Brevard County, Inc.
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the United Way of Brevard County, Inc. (the "Organization") under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

3. INDIRECT COST RATE

The Organization does not have a federally negotiated indirect cost rate and has not elected to use the 10% de minimis cost rate.

4. SUBRECIPIENTS

The Organization did not provide federal awards to any subrecipients during the year ended June 30, 2024.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
United Way of Brevard County, Inc.:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of the United Way of Brevard County, Inc. (the "Organization") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated March 18, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a *material weakness*, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses and significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Withum Smith + Brown, PC

March 18, 2025

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
United Way of Brevard County, Inc.:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited United Way of Brevard County, Inc.'s (the "Organization") (a nonprofit organization) compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal program for the year ended June 30, 2024. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Withum Smith + Brown, PC

March 18, 2025

United Way of Brevard County, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

SECTION I - SUMMARY OF AUDITOR'S RESULTS

1. Financial Statements

- a. Type of auditor's report issued: Unmodified
- b. Internal control over financial reporting
- 1) Material weakness(es) identified? Yes No
- 2) Significant deficiencies identified not considered to be material weaknesses? Yes None reported
- c. Noncompliance material to financial statements noted? Yes No

2. Federal Awards Programs

- a. Internal control over major programs
- 1) Material weakness(es) identified? Yes No
- 2) Significant deficiencies identified not considered to be material weaknesses? Yes None reported
- b. Type of auditor's report issued on compliance for major programs? Unmodified
- c. Any audit findings that are required to be reported under Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (200.516(a))*? Yes No
- d. Identification of major programs
- | <u>Assistance Listing Number</u> | <u>Name of Federal Program or Cluster</u> |
|----------------------------------|---|
| 14.241 | Housing Opportunities for Persons With AIDS (HOPWA) |
- e. Dollar threshold used to distinguish between Type A and Type B programs \$ 750,000
- f. Auditee qualified as low-risk auditee? Yes No

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – MAJOR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

SECTION IV – PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2023-001 Late submission of June 30, 2022 audit report – Federal Filing

Condition: UWBC did not file its June 30, 2022 report to the Federal Audit Clearinghouse within nine months after the end of the fiscal year.

Recommendation: It was recommended that UWBC closely monitors this important submission requirement to avoid missing the deadline.

Current Status: The finding was remediated in January 2024.