UNITED WAY
OF INDIAN RIVER COUNTY, INC.
AND AFFILIATE

Consolidated Financial Statements
and Additional Information
with
Independent Auditors' Report

June 30, 2021
(With Comparative Totals for 2020)

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KMETZ·ELWELL·GRAHAM & ASSOCIATES, PLLC
Certified Public Accountants

Independent Auditors' Report

To the Board of Directors
United Way of Indian River County, Inc. and Affiliate
Vero Beach, Florida

We have audited the accompanying consolidated financial statements of the United Way of Indian River County, Inc. (a nonprofit organization) and Affiliate which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the United Way of Indian River County, Inc. and Affiliate as of June 30, 2021, 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.

2800 Ocean Drive · Vero Beach, Florida 32963 · T: 772.231.6902 · F: 772.231.4099
1575 Indian River Boulevard, Suite C240 · Vero Beach, Florida 32960 · T: 772.231.1440 · F: 772.569.4423
www.kegacpa.com
Michael L. Kmetz, CPA, PFS · Brian J. Elwell, CPA · Patrick K. Graham, CPA, MA · Aurelius J. (Reese) Brackins, CPA · H. James Reamy, III, CPA
Andrew W. Williams, CPA · Ralph Beach, III, CPA, MST · James F. McGuigan, Jr., CPA · Stephanie Freetly, CPA · Jeannie Heran, CPA

To the Board of Directors
United Way of Indian River County, Inc. and Affiliate

Report on Summarized Comparative Information

We have previously audited the United Way of Indian River County, Inc. and Affiliate's 2020 consolidated financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 12, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position and consolidating statement of activities and changes in net assets on pages 24-25 and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, on page 26 are presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Governmental Auditing Standards, we have also issued our report dated July 5, 2022 on our consideration of United Way of Indian River County, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 United Way of Indian River County, Inc.'s internal control over financial reporting and compliance.

Kmetz, Elwell, Graham & Associates

Kmetz, Elwell, Graham & Associates, PLLC
Certified Public Accountants
Vero Beach, Florida

July 5, 2022

United Way of Indian River County, Inc. and Affiliate
Consolidated Statement of Financial Position
June 30, 2021
(With corresponding totals for June 30, 2020)

	2021	2020 (memo only)
Assets		
Cash and cash equivalents	$ 1,463,799	$ 1,022,924
Accounts receivable	73,797	32,819
Contributions receivable, net	356,898	275,508
Prepaid expenses	32,665	31,825
Total Current Assets	1,927,159	1,363,076
Investments	1,782,085	1,813,899
Endowment investments	5,747,072	4,657,277
Property and equipment, net	862,807	901,401
Total Assets	$ 10,319,123	$ 8,735,653
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 84,674	$ 42,884
Accrued payroll and related costs	57,098	65,705
Grant awards payable	1,798,067	1,756,204
Refundable advance	260,188	-
Note payable - PPP loan	-	133,865
Total Current Liabilities	2,200,027	1,998,658
Net Assets		
Net assets without donor restrictions	4,420,513	3,475,206
Net assets with donor restrictions	3,698,583	3,261,789
Total Net Assets	8,119,096	6,736,995
Total Liabilities and Net Assets	$ 10,319,123	$ 8,735,653

See accompanying notes to financial statements.

United Way of Indian River County, Inc. and Affiliate
Consolidated Statement of Activities and Changes in Net Assets
Year ended June 30, 2021
(With corresponding totals for the Year ended June 30, 2020)

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total (memo only)
Revenue and Other Support				
Net campaign revenue	$ -	$ 2,604,369	$ 2,604,369	$ 2,505,653
Federal grant revenue - CARES Act	2,427,597	-	2,427,597	-
Community Response Fund - COVID-19	18,068	-	18,068	1,275,205
Special event revenue	28,006	-	28,006	27,520
Contributions to endowment	50,100	58,000	108,100	86,580
Other income and support	260,085	33,706	293,791	12,915
In-kind contributions	182,097	-	182,097	97,521
Net investment income	964,463	510,023	1,474,486	20,183
Net assets released from restrictions	2,769,304	(2,769,304)	-	-
Total Revenue and Other Support	6,699,720	436,794	7,136,514	4,025,577
Expenses				
Program services:				
Community support services	5,293,827	-	5,293,827	3,345,811
Support services:				
Campaign fund development	276,913	-	276,913	291,380
Endowment operations	108,017	-	108,017	121,711
Management and general	75,656	-	75,656	147,014
Total support services	460,586	-	460,586	560,105
Total Expenses	5,754,413	-	5,754,413	3,905,916
Increase in Net Assets	945,307	436,794	1,382,101	119,661
Net Assets, beginning of year	3,475,206	3,261,789	6,736,995	6,617,334
Net Assets, end of year	$ 4,420,513	$ 3,698,583	$ 8,119,096	$ 6,736,995

See accompanying notes to financial statements.

United Way of Indian River County, Inc. and Affiliate
Consolidated Statement of Functional Expenses
Year ended June 30, 2021
(With corresponding totals for the Year ended June 30, 2020)

	2021					2020
	Program Services	Supporting Services			Total	(memo only)
	Community Support Services	Campaign Fund Development	Endowment Operations	Management and General		
Distributions:						
CARES Act grants	$ 2,083,323	$ -	$ -	$ -	$ 2,083,323	$ -
Grants to agencies	1,786,769	-	-	-	1,786,769	1,654,396
Other grants and relief efforts	678,146	-	-	-	678,146	1,016,592
Total distributions	4,548,238	-	-	-	4,548,238	2,670,988
Compensation:						
Salaries and wages	332,220	174,793	60,213	18,467	585,693	641,018
Payroll taxes	26,181	13,802	3,786	7,356	51,125	49,109
Fringe benefits	34,545	19,687	8,125	9,304	71,661	82,327
Total compensation	392,946	208,282	72,124	35,127	708,479	772,454
Promotion and awareness:						
Campaign and community events	13,976	3,168	106	8	17,258	28,916
Printing and publications	295	5,584	1,585	494	7,958	19,933
Postage	542	11,067	1,674	434	13,717	16,324
Marketing and promotions	212,174	2,751	10,165	430	225,520	165,326
Total promotion and awareness	226,987	22,570	13,530	1,366	264,453	230,499
Services and supplies:						
Occupancy	21,043	8,272	4,800	7,265	41,380	39,436
Insurance	14,892	2,383	5,048	2,581	24,904	24,485
Professional fees	6,606	3,919	6,300	2,175	19,000	21,400
Repairs and maintenance	2,777	222	-	241	3,240	4,194
Bank fees	3,465	6,798	-	4,522	14,785	14,800
Office supplies	2,472	1,544	289	2,094	6,399	7,487
Telephone	6,064	970	590	1,051	8,675	8,700
Training and staff development	5,904	1,598	325	3,484	11,311	18,931
Meetings/community relations	805	75	-	65	945	2,924
Total services and supplies	64,028	25,781	17,352	23,478	130,639	142,357
Other expenses:						
Membership dues	25,759	14,541	4,805	8,136	53,241	41,475
Depreciation	35,869	5,739	206	7,549	49,363	48,143
Total other expenses	61,628	20,280	5,011	15,685	102,604	89,618
Total expenses	$ 5,293,827	$ 276,913	$ 108,017	$ 75,656	$ 5,754,413	$ 3,905,916

See accompanying notes to financial statements.

United Way of Indian River County, Inc. and Affiliate
Consolidated Statement of Cash Flows
Year ended June 30, 2021
(With corresponding totals for the Year ended June 30, 2020)

	2021	2020 (memo only)
Cash Flows from Operating Activities:		
Increase in net assets	$ 1,382,101	$ 119,661
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	49,363	48,143
Net (gain) loss on investments	(1,310,751)	136,373
Forgiveness of PPP loan	(133,865)	-
Contributions to endowment	(58,000)	(68,104)
Changes in assets and liabilities:		
Receivables	(122,368)	78,293
Prepaid expenses	(840)	893
Accounts payable and accrued liabilities	41,790	35,937
Accrued payroll and related costs	(8,607)	1,971
Grant awards payable	41,863	(105,019)
Refundable advance	260,188	-
Net cash provided by operating activities	140,874	248,148
Cash Flows from Investing Activities:		
Purchase of investment securities	(1,857,575)	(584,701)
Proceeds from sale of investment securities	2,110,345	769,309
Purchase of property and equipment	(10,769)	(15,725)
Net cash provided by investing activities	242,001	168,883
Cash Flows from Financing Activities:		
Proceeds from note payable	-	133,865
Contributions to endowment	58,000	68,104
Net cash provided by financing activities	58,000	201,969
Net Increase in Cash	440,875	619,000
Cash and Cash Equivalents, beginning of year	1,022,924	403,924
Cash and Cash Equivalents, end of year	$ 1,463,799	$ 1,022,924

See accompanying notes to financial statements.

Note 1 – Nature of Organization

These financial statements represent the consolidated financial statements of **United Way of Indian River County, Inc.** ("UWIRC") and **United Way Foundation of Indian River County, Inc.** (the "Foundation"), together "United Way". UWIRC and the Foundation are related organizations as the UWIRC Board of Directors approves the election of more than a majority of the members of the Foundation's Board of Directors. The accompanying consolidated financial statements include the accounts of both organizations. Intercompany transactions and balances have been eliminated.

United Way of Indian River County, Inc.
UWIRC is a community impact organization with a vision to bring Indian River County together to focus on the most important human needs by building partnerships, forging consensus, and leveraging resources to make a measurable difference. To do this, UWIRC partners with health and human service agencies, businesses, community leaders and public and private sector entities across this community to create action plans that address and work toward solving the critical needs affecting the County's population.

United Way is committed to advancing the common good for all of our citizens. United Way believes that everyone deserves opportunities to have a good life: a quality education that leads to a stable job, enough income to support a family through retirement and good health. That's why United Way's work is focused on the building blocks for a good life in these three critical areas:

- Education - helping children and youth achieve their potential
- Financial Stability - promoting financial stability and independence
- Health - improving people's health

United Way contributions help support programs that are focused on solving problems within the areas of focus noted above. United Way has established community goals in these areas and is committed to measuring and reporting our results to the community.

Beyond providing funding to our funded partners, UWIRC is actively engaged in a variety of community collaboratives and initiatives, working to positively impact the quality of life for all in Indian River County. Examples of these additional program services include:

- Mental Health Collaborative of IRC
- Senior Collaborative of IRC
- The Children's Trust Initiative
- Moonshot Community Action Network

Additionally, for the past decade, UWIRC has managed the Volunteer Income Tax Assistance (VITA) program and the FamilyWize discount prescription card program which saved the citizens of Indian River County over two million dollars last year.

Note 1 – Nature of Organization (continued)

United Way Foundation of Indian River, Inc.
On January 1, 2011, UWIRC established the United Way Foundation of Indian River County, Inc. with a transfer of $2,118,615 of funds that had previously been designated by the Board for endowment purposes, and an additional $200,000 with a donor restriction for a similar purpose. The Foundation is a separate nonprofit organization - classified as a Type I supporting organization - committed to building a permanent endowment that will extend United Way's reach by forever generating funds in support of UWIRC's work. Long-term in scope, the Foundation affords donors the opportunity to extend their support to UWIRC beyond their lifetime primarily through major outright gifts, bequests and other planned gifts. The Foundation has established two endowment funds:

- The Annual Campaign Endowment Fund, which consists of those funds whereby the donors have restricted the use of the proceeds for the specific purpose of perpetuating their gift to the annual campaign. These thoughtful legacy gifts will only be used to support the critically important health and human service programs funded by UWIRC.

- The General Endowment Fund, which consists of those funds whereby the donors have not restricted the use of the proceeds and will be used to support all of the important roles United Way plays in our community.

Community Investment
Through the Community Investment and Citizens Review Process, UWIRC invests in programs that impact an individual's life in measurable and definable ways and tracks the results. Each year, UWIRC depends on the time and commitment of more than 80 volunteers to carefully review and make qualified recommendations on the funding requests from UWIRC funded partners for their programs to the UWIRC Board of Directors for final approval.

Community Service: The United Way Center
In addition to being the home to UWIRC, the United Way Center has been designed to accommodate a variety of services and initiatives including providing a large meeting space for area nonprofits at no cost and housing a Nonprofit Incubation Center (NIC). Current residents in the NIC include: Deaf and Hard of Hearing Services of the Treasure Coast, Place of Hope, Girls on the Run and the Senior Collaborative of IRC.

Disaster Response and Emergency Support Functions ("ESF #15") Responsibilities
Since 2005, at the request of the Indian River County Department of Emergency Services, UWIRC has served as the lead agency for ESF#15 whenever the county's Emergency Operations Center ("EOC") is activated. ESF#15 is responsible for the coordination of "Donations and Volunteers" in the aftermath of a disaster. UWIRC's major responsibilities include – as and if needed: opening and managing a Volunteer Reception Center and establishing and acting as fiscal agency for a Disaster Relief Fund.

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the United Way have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The consolidated financial statements include the accounts of both the United Way of Indian River County, Inc. (UWIRC) and the United Way Foundation of Indian River County, Inc. (the Foundation). All significant inter-organization balances and transactions were eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Cash and Equivalents

Cash and cash equivalents consist of demand deposits in banks, cash on hand, and deposits in money market funds with original maturities of less than three months. The United Way maintains its deposits in multiple financial institutions, which at times may exceed the federally insured limits. The United Way has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to its applicable holdings.

The United Way presents restricted cash in accordance with FASB Statement ASU 2016-18, Statement of Cash Flows, which requires restricted cash to be included with cash and cash equivalents. Temporary cash held in the United Way's investment funds are classified as investments and endowment investments and are not considered to be cash for purposes of the statement of cash flows.

Unconditional Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. When discounts are material to the financial statements, these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of discounts is included in contribution revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met. All promises to give to the United Way for the annual campaign are expected to be collected within one year. Generally, UWIRC initiates the current period campaign in September of each year and each such campaign is principally associated with the subsequent fiscal year. United Way estimates the allowance for pledges that will ultimately be uncollectible each year based on historical data.

Note 2 – Summary of Significant Accounting Policies (continued)

Designations to Agencies

UWIRC receives contributions from donors designating the resources to specified non-funded partners and other United Way agencies. UWIRC collects these resources and disburses the funds to the designated agencies. Such designated contributions are excluded from contribution revenue and the related disbursements to the specified agencies are excluded from allocations in the consolidated statement of activities. During fiscal year ended June 30, 2021, UWIRC received and disbursed $90,344 in designated contributions.

Investments

Investments in certificates of deposit and in marketable securities with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income is reported as increases in net assets without donor restrictions unless the use of the income is limited by donor-imposed restriction or by law.

The United Way maintains its investments at various FDIC and SPIC insured institutions. Balances maintained at certain institutions exceed the federally insured limits. The United Way has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to its applicable holdings.

Property and Equipment

The United Way follows the practice of capitalizing, at cost, all expenditures for fixed assets in excess of $500. Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Depreciation is provided using the straight-line method over estimated useful lives ranging from 3 to 40 years. Management reviews its property and equipment balances for impairment when events or changes in circumstances indicate the related carrying values may no longer be recoverable.

Revenue Recognition

Contributions are recognized when the donor makes a promise to give to the United Way that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

Donated Materials and Services

Donated materials and equipment are reflected as contributions at their estimated fair values at the date of receipt. Contributions of services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Note 2 – Summary of Significant Accounting Policies (continued)

Income Taxes

UWIRC and the Foundation are both not-for-profit organizations as described in Sec. 501(c)(3) of the Internal Revenue Code. As such the entities are exempt from federal and state income taxes except on net income derived from unrelated business activities. The entities are not classified as private foundations.

United Way has analyzed the tax positions taken and has concluded that as of June 30, 2021, there are no material uncertain positions taken, or expected to be taken, that would require recognition of a liability or disclosure in the financial statements. UWIRC's and the Foundation's tax returns for the past three years are subject to examination by taxing authorities and may change upon examination.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which is a comprehensive new revenue recognition standard that supersedes existing revenue recognition guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. FASB issued ASU 2015-14 that deferred the effective date for United Way until annual periods beginning after December 15, 2018. Subsequently, FASB issued ASU 2020-05 that deferred the effective date until annual periods beginning after December 15, 2019 due to the COVID-19 pandemic. The amendments in this update are required to be applied retrospectively to each prior reporting period presented or with the cumulative effect being recognized at the date of the initial application. United Way has applied the provisions of these ASU's to the June 30, 2021 and 2020 financial statements, respectively. There was no material impact on the consolidated financial statements.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. United Way has applied the provisions of this ASU to the December 31, 2021 and 2020 consolidated financial statements, respectively. There was no material impact on the consolidated financial statements.

Functional Allocation of Expenses

The cost of providing the various programs and other activities has been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses that can be identified with a specific program or support service are allocated directly according to their natural expense classification. Other expenses that are common to several functions are allocated based on an analysis of personnel time utilized for the related activities.

The United Way engages in fundraising activities throughout the year. Such activities do not include significant joint costs that would allow allocation among the program services.

Note 2 – Summary of Significant Accounting Policies (continued)

Advertising Costs

Advertising costs are generally expensed when incurred. Advertising costs consists primarily of public services announcements and media spots used to notify the public of events and services.

Note 3 – Note Payable - PPP Loan Forgiven

On April 14, 2020 United Way received loan proceeds in the amount of $133,865 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses and nonprofits for amounts up to 2.5 times the average monthly payroll expenses of the qualifying organization. The funds must be spent over the "Covered Period" which is either twenty-four weeks or, if United Way elects, eight weeks from the loan disbursement date.

The PPP loan provides for grantees to apply for loan forgiveness any time on or before the maturity date of the loan, including before the end of the Covered Period. On November 24, 2020, UWIRC received notice that the entire amount of the PPP loan had been forgiven by the Small Business Administration.

Note 4 – Federal Grant Revenue – CARES Act

UWIRC received funding through Indian River County to administer federal CARES Act dollars for community response work. As a trusted partner, UWIRC coordinated grants to respond to the health and economic crisis. The funds were strategically deployed to programs across the county to help residents with food, rental, and utility assistance, health care, food support, childcare scholarships, and veteran services plus so many more essential needs. This additional support allows nonprofits to continue to meet the emerging and unprecedented volume of needs by adapting their technology and safety measures. As of June 30, 2021, United Way had received $2,687,784 in grant funding, expended $2,427,596 and is holding $260,188 as a refundable advance.

Note 5 – Grants to Agencies for Program Support

UWIRC awards grants to funded partners on an annual basis at the option of the governing board. Funding may be allocated in one or two-year cycles. Second year funding is contingent on availability of campaign funds raised by UWIRC and is subject to adjustment based on UWIRC campaign results. Tentatively awarded second year funding projected for distribution in 2022-2023 amounts to $770,899.

Note 5 – Grants to Agencies for Program Support (continued)

The grant amounts awarded and payable to agencies at June 30, 2021 are supported by 2020-2021 campaign revenues. Such amounts are payable in installments throughout the 2021-2022 fiscal year. The amounts awarded and payable to agencies at June 30, 2021, are as follows:

Agency	Education	Financial	Health	Total
211	$ 17,213	$ 17,213	$ 17,213	$ 51,638
American Red Cross	-	13,500	-	13,500
ARC	-	55,393	35,677	91,070
Big Brother Big Sister of IRC	35,000	-	-	35,000
Boys & Girls Club of IRC	89,192	-	-	89,192
Camp Haven	-	18,777	-	18,777
Catholic Charities of the Diocese	-	63,842	-	63,842
Childcare Resources of Indian River	225,000	-	-	225,000
Children's Home Society of Florida	20,000	25,349	-	45,349
Crossover Mission	65,000	-	-	65,000
Drug Abuse Treatment Association	-	-	64,288	64,288
Early Learning Coalition	10,332	-	-	10,332
Economic Opportunities Council	20,000	-	-	20,000
Education Foundation	35,000	-	-	35,000
Environmental Learning Center	12,000	-	-	12,000
Gifford Youth Achievement Center	43,375	-	-	43,375
Habitat for Humanity	-	2,500	-	2,500
Hibiscus Children's Center	40,000	-	-	40,000
Hope for Families Center	-	47,882	-	47,882
IRC Healthy Start Coalition	35,000	-	103,275	138,275
Literacy Services of IRC	-	28,635	-	28,635
Mental Health Association	-	-	84,498	84,498
Mental Health Collaborative	-	-	41,472	41,472
Redlands Christian Migrant Association	25,000	-	-	25,000
Safe Space	-	-	67,035	67,035
Senior Resource Association	-	-	100,033	100,033
Substance Awareness Center	-	-	37,555	37,555
The Learning Alliance	42,000	-	-	42,000
Treasure Coast Community Health	-	-	12,099	12,099
Treasure Coast Food Bank	-	-	20,000	20,000
Treasure Coast Homeless Services Council	-	37,555	-	37,555
Tykes & Teens	-	-	38,166	38,166
United Against Poverty	-	20,000	-	20,000
Veterans Council	-	14,083	-	14,083
Visiting Nurse Association	-	-	28,166	28,166
Youth Guidance Mentoring Program	74,000	-	-	74,000
Total agency commitments	$ 788,112	$ 344,729	$ 649,477	$ 1,782,317
Collaborative/Initiative Funds	-	15,750	-	15,750
Total awards payable	$ 788,112	$ 360,479	$ 649,477	$ 1,798,067

Note 5 – Grants to Agencies for Program Support (continued)

The amounts disbursed during the year ended June 30, 2021, under commitments made at June 30, 2020 for 2020-2021 agency allocations and special project funding were as follows:

Agency	Education	Financial	Health	Total
211	$ 17,213	$ 17,213	$ 17,213	$ 51,638
American Red Cross	-	6,923	-	6,923
ARC	-	55,393	35,677	91,070
Big Brother Big Sister of IRC	32,861	-	-	32,861
Boys & Girls Club of IRC	89,192	-	-	89,192
Camp Haven	-	18,777	-	18,777
Catholic Charities of the Diocese	-	63,842	-	63,842
Childcare Resources of Indian River	187,774	-	-	187,774
Children's Home Society of Florida	37,555	25,349	-	62,904
Crossover Mission	46,943	-	-	46,943
Deaf and Hard of Hearing Services	-	-	9,441	9,441
Drug Abuse Treatment Association	-	-	64,288	64,288
Early Learning Coalition	9,389	-	-	9,389
Economic Opportunities Council	20,655	-	-	20,655
Education Foundation	16,431	-	-	16,431
Gifford Youth Achievement Center	54,219	-	-	54,219
Habitat for Humanity	-	2,500	-	2,500
Hibiscus Children's Center	32,861	-	-	32,861
Hope for Families Center	-	47,882	-	47,882
IRC Healthy Start Coalition	59,149	-	103,275	162,424
Literacy Services of IRC	-	28,635	-	28,635
Mental Health Association	-	-	84,498	84,498
Mental Health Collaborative	-	-	23,472	23,472
Redlands Christian Migrant Association	23,472	-	-	23,472
Safe Space	-	-	67,035	67,035
Senior Resource Association	-	-	100,033	100,033
Substance Awareness Center	-	-	37,555	37,555
The Learning Alliance	18,777	-	-	18,777
Treasure Coast Community Health	-	-	12,099	12,099
Treasure Coast Food Bank	-	-	20,000	20,000
Treasure Coast Homeless Services Council	-	37,555	-	37,555
Tykes & Teens	-	-	38,166	38,166
United Against Poverty	-	20,000	-	20,000
Veterans Council	-	14,083	-	14,083
Visiting Nurse Association	-	-	28,166	28,166
Youth Guidance Mentoring Program	67,598	-	-	67,598
Total agency distributions	$714,089	$338,152	$640,918	$1,693,158
Collaborative/Initiative Funds	18,000	15,750	18,000	51,750
Total awards distributed	$732,089	$353,902	$658,918	$1,744,908

Note 6 – Contributions Receivable, net

Contributions receivable are expected to be realized within one year. The composition of contributions receivable at June 30, 2021 is as follows:

Contributions receivable in less than one year	$ 491,674
Allowance for uncollectible contributions	(134,776)
Contributions receivable, net	$ 356,898

United Way additionally has received intentions to give from individual donors primarily in the form of conditional bequests and life insurance commitments estimated at $6,035,750. Such gifts, when received, are intended to be contributed to the Foundation's endowment funds. Such gifts have not been recognized in the accompanying financial statements as conditions for recording have not been met.

Note 7 – Property and Equipment, net

The following is a summary of property and equipment:

	June 30, 2020	Additions	Deletions	June 30, 2021
Land	$ 160,000	$ -	$ -	$ 160,000
Building and improvements	1,140,487	5,100	-	1,145,587
Furniture, fixtures, and equipment	167,611	5,669	-	173,280
	1,468,098	10,769	-	1,478,867
Accumulated depreciation	(566,697)	(49,363)	-	(616,060)
Property and equipment, net	$ 901,401	$ (38,594)	$ -	$ 862,807

Note 8 – Investments

The components of total investment return for the year ending June 30, 2021, are as follows:

Interest and dividend earnings	$ 181,134
Investment fees and expenses	(17,399)
Net realized/unrealized gain/(loss) on investments	1,310,751
	$ 1,474,486

Note 8 – Investments (continued)

Investments consist of the following as of June 30, 2021:

	Cost	Fair Market Value	Net Unrealized Gains (Losses)
Cash and cash equivalents	$ 74,720	$ 74,720	$ -
Certificates of deposit	452,348	452,348	-
Equity securities	500,382	850,738	350,356
Mutual Funds:			
Equity securities	2,465,657	4,034,875	1,569,218
Fixed income	1,401,536	1,427,265	25,729
Commodities	204,560	249,689	45,129
Real estate funds	388,615	439,522	50,907
	$ 5,487,818	$ 7,529,157	$ 2,041,339

See also Note 11 for additional information related to Endowment Investments.

Note 9 – Liquidity and Availability of Financial Assets

The United Way has $1,894,494 of financial assets available within one year of the statement of financial position date to meet cash needs for general operating expenditures and grant awards. Available current assets include operating cash of $1,463,799 and current receivables of $430,695. An annual appropriation and transfer from the Foundation's investments to the United Way for operations is expected to continue with $177,264 appropriated for transfer in November 2021 consistent with the spending policies of the endowments. The United Way will additionally fund operating needs through annual campaign revenue, other contributions, and special events. United Way investments, including certificates of deposit and various securities held in brokerage, are available to operations if needed and at the option of management and the board.

Note 10 – Fair Value Measurements

Generally accepted accounting principles establish 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 into three levels. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is available and significant to the fair value measurement. The three levels of inputs that may be used to measure value are as follows:

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

Level 2 – Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Inputs that are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability.

Note 10 – Fair Value Measurements (continued)

Fair values of assets measured on a recurring basis at June 30, 2021, are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and equivalents	$ 1,463,799	$ 1,463,799	$ -	$ -
Investments	7,529,157	7,076,809	452,348	-
Contributions receivable	356,898	-	-	356,898
	$ 9,349,854	$ 8,540,608	$ 452,348	$ 356,898

Note 11 – Endowments

United Way has classified a substantial portion of its investments held by the Foundation as endowments. The endowments are invested to generate income to be used to support operating and strategic initiatives. The assets include pure endowment funds (donor-restricted) and funds designated by the board to function as endowments. Net assets associated with the endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law
The State of Florida enacted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), including enhanced disclosures required by Accounting Standards Codification Endowments of Not-for-Profit Organizations, Net Assets Classification of Funds Subject to an Enacted Version of the UPMIFA, and Enhanced Disclosure for All Endowment Funds, which became effective July 1, 2012. The board of directors of the Foundation requires the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary, which is a valid interpretation of UPMIFA.

As a result of this interpretation, the organization classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations of investment returns to the permanent endowment made in accordance with the direction of the applicable donor gift instrument, when applicable. The remaining portion of the donor-restricted endowment funds that are not classified as permanently restricted are classified as temporarily restricted until those amounts are appropriated for expenditure by the Foundation's board.

Note 11 – Endowments (continued)

Interpretation of Relevant Law (continued)

The Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The terms of the endowment agreement, which document the wishes of the contributors
- The purpose of UWIRC, the Foundation, and the donor-restricted endowment funds
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the UWIRC and the Foundation
- The investment policies of the Foundation

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or Foundation policies require to retain as a fund of perpetual duration. If this were to occur, the Foundation would not expend any monies from the fund until the fair market value of the fund returns to a level above the principal. The endowment does not have any deficiencies as of June 30, 2021.

Return Objectives and Risk Parameters

The Foundation has adopted a balanced growth investment approach seeking to protect the long-term principal value of the Endowment while providing long term real growth of the principal. The Foundation assumes a moderate level of investment risk and understands that actual returns in any given year may vary and that adoption of this objective does not assure achievement of any specific investment results. The Foundation has preference for simple investment structures, which will have lower cost, easier oversight and less complexity for internal financial management.

Strategies Employed for Achieving Objectives

The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent constraints, with the asset mix to consist of 35%-75% equity instruments, 10%-55% fixed income securities, 0%-20% global real estate and commodities and 0%-25% money market funds. The Foundation has hired an investment manager to assist them in reaching these goals and react to market conditions to determine asset allocations within the ranges dictated in the Investment Policy Statement (IPS). As a standing committee and per policy, the Finance Committee periodically meets with the investment manager, no less than twice a year, to monitor performance, tactical asset allocation and review the IPS.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation's general spending policy is to consider expected rates of return on investments, restrictions on principal, requirements to support operations and special projects, maintenance of prudent reserves, tax code requirements, and allowances for market and economic uncertainties, as applicable. Transfers to operating accounts from the endowment funds earnings require appropriation by the Board.

Note 11 – Endowments (continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy (continued)
The Foundation maintains different spending policies for its two endowment funds.

Annual Campaign Endowment Fund – The Annual Campaign Endowment Fund shall be used to perpetuate a donor's gift to the United Way of Indian River's Annual Campaign (the "Annual Campaign"). On an annual basis, a payout from the Restricted Fund will be made to the United Way of Indian River to be used in connection with the Annual Campaign. The payout will be the greater of:

a. The level of the donor's intent to perpetuate their annual gift.

b. 4% of a five year rolling average of the fiscal year end market values of the Annual Campaign Endowment Fund as of June 30 of the prior fiscal year. For purposes of calculating the five year rolling average, the lesser of the life of the Annual Campaign Endowment Fund or five years will be used and contributions received during the defined period are to be treated as if they were received at the beginning of the defined period in order to achieve the 4% annual distribution on the contributions. The amount transferred under this paragraph 4(A) shall be credited in the name of the donor.

Any future restricted gifts, whether or not directed toward the Annual Campaign, will be owned by the Foundation and will be managed and distributed according to such donor restrictions.

General Endowment Fund – The General Endowment Fund will make annual transfers to the UWIRC of 5% of a five-year rolling average of the fiscal year end market values of the Board Designated Endowment Fund as of June 30 of the prior fiscal year, net of all Foundation expenses, both direct and indirect. For purposes of calculating the five-year rolling average, contributions received during the five-year period are to be treated as if they were received at the beginning of the five-year period in order to achieve the 5% annual distribution on the contributions. If extraordinary circumstances warrant such action, the Foundation may distribute an amount less than or more than 5% subject to approval by two-thirds of the vote of the Boards of Directors of both UWIRC and the Foundation.

The permanent restrictions on net assets at June 30, 2021 consist of contributed assets restricted by the donors as endowment to provide an ongoing source of revenue for UWIRC and for the Foundation. The two endowment funds are distinguished by allowable use of investment earnings as appropriated for expenditure and as defined under the spending policies described above. Current year appropriations are transferred from accounts subsequent to fiscal year end.

Note 11 – Endowments (continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy (continued)
Changes in the endowment funds by net asset classification for the year ended June 30, 2021 are as follows:

	Without Donor Restrictions (Board Designated)	With Donor Restrictions Temporary	With Donor Restrictions Permanent	Total
Endowment net assets at June 30, 2020	$ 2,553,360	$ 87,855	$ 1,848,699	$ 4,489,914
Contributions	50,100	-	58,000	108,100
Net investment activity	639,297	510,023	-	1,149,320
Appropriated for expenditure	(134,405)	(75,754)	-	(210,159)
Endowment net assets at June 30, 2021	$ 3,108,352	$ 522,124	$ 1,906,699	$ 5,537,175

Note 12 –Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following as of June 30, 2021:

Campaign revenue available for future awards	$ 855,038
Accumulated earnings on endowment funds	522,124
COVID Response Fund	294,176
Mental Health (IOP)	50,000
Children's Trust	33,706
Publix purpose restrictions	36,840
Total net assets with temporary donor restrictions	1,791,884
Permanent endowment	1,906,699
Total net assets with donor restrictions	$ 3,698,583

Note 13 –Net Assets Released From Donor Restrictions

Net assets released from donor restrictions during the fiscal year ended June 30, 2021, are as follows:

Expiration of time and purpose on campaign contributions	$ 2,237,829
COVID Response Fund	433,971
Endowment earnings appropriated for use	75,754
Publix purpose restrictions	14,618
The Stairwell Fund	7,132
	$ 2,769,304

Note 14 –Net Assets Without Donor Restrictions – Board Designated Funds

The Board of Directors of UWIRC has designated net assets without donor restrictions for various purposes. Funds are designated for the following purposes as of June 30, 2021:

Foundation - quasi-endowment	$ 3,108,352
Community impact	212,774
Disaster relief	200,000
Capital repairs and improvements	63,639
COVID Response fund	9,059
Collaborative initiative	4,475
	$ 3,598,299

Note 15 – Employee Benefit Plans

UWIRC has adopted a simplified employee pension retirement plan covering all employees who have met certain service requirements. For 2021, UWIRC contributed 3% of employee compensation and up to an additional 3% as a match to employee deferrals. Retirement plan expense for the year ended June 30, 2021 was $30,932.

Note 16 – Risks and Uncertainties

COVID-19 Disruption

In March 2020, a global pandemic was declared by the World Health Organization as a result of the rapidly growing outbreak of the coronavirus COVID-19. The pandemic has significantly impacted the economic conditions in the United States, including disrupting the supply chains and affecting production and sales across a range of industries. The extent of the ultimate effect of COVID-19 on the Organization's operating and financial performance cannot be predicted at this time, as they are dependent on many factors, including, but not limited to: (i) the duration and the spread of the outbreak, ii) the impact on our community, management personnel and service providers, and (iii) the impact on the local, state, national and global economies.

Note 17 - Subsequent Events

Management has evaluated subsequent events through July 5, 2022, the date the financial statements were available to be issued. Management is not aware of any events subsequent to the statement of financial position date which would require additional adjustments to, or disclosure in, the accompanying financial statements.

SUPPLEMENTARY INFORMATION

United Way of Indian River County, Inc. and Affiliate
Consolidating Statement of Financial Position
June 30, 2021

	United Way of Indian River County, Inc.	United Way Foundation of Indian River County, Inc.	Consolidated
Assets			
Cash and cash equivalents	$ 1,463,799	$ -	$ 1,463,799
Accounts receivable	73,797	-	73,797
Contributions receivable, net	389,789	(32,891)	356,898
Due to UWIRC from Foundation	177,265	(177,265)	-
Prepaid expenses	32,665	-	32,665
Total Current Assets	2,137,315	(210,156)	1,927,159
Investments	1,782,085	-	1,782,085
Endowment investments	-	5,747,072	5,747,072
Property and equipment	862,548	259	862,807
Total Assets	$ 4,781,948	$ 5,537,175	$ 10,319,123
Liabilities and Net Assets			
Liabilities			
Accounts payable and accrued expenses	$ 84,674	$ -	$ 84,674
Accrued payroll and related costs	57,098	-	57,098
Grant awards payable	1,798,067	-	1,798,067
Refundable advance	260,188	-	260,188
Total Liabilities	2,200,027	-	2,200,027
Net Assets			
Net assets without donor restrictions	1,312,161	3,108,352	4,420,513
Net assets with donor restrictions	1,269,760	2,428,823	3,698,583
Total Net Assets	2,581,921	5,537,175	8,119,096
Total Liabilities and Net Assets	$ 4,781,948	$ 5,537,175	$ 10,319,123

See accompanying notes to financial statements.

United Way of Indian River County, Inc. and Affiliate
Consolidating Statement of Activities and Changes in Net Assets
Year ended June 30, 2021

	United Way of Indian River County, Inc.	United Way Foundation of Indian River County, Inc.	Eliminations	Consolidated
Revenue and Other Support				
Net campaign revenue	$ 2,637,267	$ -	$ (32,898)	$ 2,604,369
Federal grant revenue - CARES Act	2,427,597	-	-	2,427,597
Community Response Fund - COVID-19	18,068	-	-	18,068
Special event revenue	28,006	-	-	28,006
Contributions to endowment	-	108,100	-	108,100
Other income and support	363,246	-	(69,455)	293,791
In-kind contributions	182,097	-	-	182,097
Net investment income	324,956	1,149,530	-	1,474,486
Total Revenue and Other Support	5,981,237	1,257,630	(102,353)	7,136,514
Expenses				
Program services:				
Community support services	5,293,827	102,353	(102,353)	5,293,827
Support services:				
Campaign fund development	276,913	-	-	276,913
Endowment operations	-	108,017	-	108,017
Management and general	75,656	-	-	75,656
Total Support services	352,569	108,017	-	460,586
Total Expenses	5,646,396	210,370	(102,353)	5,754,413
Increase in Net Assets	334,841	1,047,260	-	1,382,101
Net Assets, beginning of year	2,247,080	4,489,915	-	6,736,995
Net Assets, end of year	$ 2,581,921	$ 5,537,175	$ -	$ 8,119,096

See accompanying notes to financial statements.

United Way of Indian River County, Inc.
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2021

Federal Grantor Pass-through Grantor/Program Title	CFDA Number	Grant/ Contract Number	Passed Through to Subrecipients	Expenditures
U.S. Dept. of Treasury / Pass-through - Indian River County, Florida:				
COVID-19 - Coronavirus Relief Fund	21.019	N/A	$1,259,382	$ 2,083,323
Total Federal Expenditures			$1,259,382	$ 2,083,323

See accompanying notes to schedule of expenditures of federal awards.

United Way of Indian River County, Inc.
Notes to Schedule of Expenditures of Federal Awards
For the year ended June 30, 2021

Note A – Basis of Accounting

The accompanying schedule of expenditures of federal awards includes the federal grant activity of United Way of Indian River County, Inc. and is presented using the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note B – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards is presented in accordance with the requirements of the Uniform Guidance. The federal awards on the Schedule of Expenditures of Federal Awards are included on the accompanying statement of activities.

Note C – De Minimis Indirect Cost Rate

United Way has not elected to use the 10% de Minimis indirect cost rate.

Note D – Contingency

Amounts received or receivable from grantor agencies are subject to audit and adjustment by those agencies. Any disallowed claims, including amounts already received, might constitute a liability of UWIRC for the return of those funds.

KMETZ·ELWELL·GRAHAM & ASSOCIATES, PLLC
Certified Public Accountants

Independent Auditors' 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*

To the Board of Directors
United Way of Indian River 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, the financial statements of United Way of Indian River County, Inc. (UWIRC) (a not for profit organization), which comprise the consolidated statements of financial position as of June 30, 2021, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated July 5, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered UWIRC'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of UWIRC's internal control. Accordingly, we do not express an opinion on the effectiveness of UWIRC's internal control.

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

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

2800 Ocean Drive • Vero Beach, Florida 32963 • T: 772.231.6902 • F: 772.231.4099
1575 Indian River Boulevard, Suite C240 • Vero Beach, Florida 32960 • T: 772.231.1440 • F: 772.569.4423
www.kegacpa.com
Michael L. Kmetz, CPA, PFS • Brian J. Elwell, CPA • Patrick K. Graham, CPA, MA • Aurelius J. (Reese) Brackins, CPA • H. James Reamy, III, CPA
Andrew W. Williams, CPA • Ralph Beach, III, CPA, MST • James F. McGuigan, Jr., CPA • Stephanie Freetly, CPA • Jeannie Heran, CPA

Compliance and Other Matters

As part of obtaining reasonable assurance about whether UWIRC's consolidated financial statements are free of 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.

Kmetz, Elwell, Graham & Associates

Kmetz, Elwell, Graham & Associates, PLLC
Certified Public Accountants
Vero Beach, Florida

July 5, 2022

KMETZ·ELWELL·GRAHAM & ASSOCIATES, PLLC
Certified Public Accountants

Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Directors
United Way of Indian River County, Inc.

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of UWIRC's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (*Uniform Guidance*)*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about UWIRC's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Basis for Qualified Opinion on CFDA 21.019 - Coronavirus Relief Fund

As described in the accompanying schedule of findings and questioned costs, UWIRC did not comply with requirements regarding CFDA 21.019 Coronavirus Relief Fund as described in finding number **2021-001** for Subrecipient Monitoring. Compliance with such requirements is necessary, in our opinion, for UWIRC to comply with the requirements applicable to that program.

2800 Ocean Drive • Vero Beach, Florida 32963 • T: 772.231.6902 • F: 772.231.4099
1575 Indian River Boulevard, Suite C240 • Vero Beach, Florida 32960 • T: 772.231.1440 • F: 772.569.4423
www.kegacpa.com
Michael L. Kmetz, CPA, PFS • Brian J. Elwell, CPA • Patrick K. Graham, CPA, MA • Aurelius J. (Reese) Brackins, CPA • H. James Reamy, III, CPA
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Qualified Opinion on CFDA 21.019 - Coronavirus Relief Fund

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, UWIRC complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Coronavirus Relief Fund program for the year ended June 30, 2021.

Other Matters

UWIRC's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. UWIRC's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of UWIRC is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered UWIRC's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of UWIRC's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a material weaknesses.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item **2021-001** to be a material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or 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. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies. However, significant deficiencies may exist that have not been identified.

UWIRC's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. UWIRC's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Kmetz, Elwell, Graham & Associates

Kmetz, Elwell, Graham & Associates, PLLC
Certified Public Accountants
Vero Beach, Florida

July 5, 2022

United Way of Indian River County, Inc.
Schedule of Findings and Questioned Costs
Federal Awards Programs
Year Ended June 30, 2021

A. Summary of Auditor's Results

Financial statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
• Noncompliance material to the financial statements noted?	No

Federal awards

Type of auditor's report issued on compliance for major programs:	Qualified
Internal control over major programs:	
• Material weakness(es) identified?	Yes
• Significant deficiency(ies) identified that are not considered to be material weakness(es)?	None reported
• Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)	Yes

Identification of major programs

Federal Program	Federal CFDA No.
U.S. Department of Treasury / Pass-through- Indian River County, Florida: Coronavirus Relief Fund	21.019
The dollar threshold for distinguishing Type A and B programs	$750,000
Auditee qualifies as a low-risk auditee:	No

B. Findings - Financial Statements Audit

None

C. Findings and Questioned Costs - Major Federal Award Program

2021-001

Federal agency: U.S. Department of Treasury / Pass-through - Indian River County, Florida
Federal program title: Coronavirus Relief Fund
CFDA Number: 21.019
Award Period: March 1, 2020 through September 30, 2021
Finding: Internal Control and Compliance over Subrecipient Monitoring
Type of Finding: Material Weakness

Criteria:

2 CFR §200.332 requires that all pass-through entities ensures that every subaward is clearly identified to the subrecipient as a subaward and include the following information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modifications:

(1) Federal Award Identification.
- Subrecipient's name (which must match the name associated with its unique identifier);
- Subrecipient's unique identifier;
- Federal Award Identification Number (FAIN);
- Federal award date;
- Subaward Period of Performance Start and End Date;
- Amount of Federal Funds Obligated by this action;
- Total Amount of Federal Funds Obligated to the subrecipient;
- Total Amount of the Federal Award committed to the subrecipient by the pass-through entity;
- Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);
- Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the pass-through entity;
- Assistance Listings Number and Title; the pass-through entity must identify the dollar amount made available under each Federal award and the Assistance Listings number at time of disbursement;
- Identification of whether the award is R&D; and
- Indirect cost rate for the Federal award (including if the de minimis rate is charged per § 200.414.

(2) All requirements imposed by the pass-through entity on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations and the terms and conditions of the Federal award;

(3) Any additional requirements that the pass-through entity imposes on the subrecipient in order for the pass-through entity to meet its own responsibility to the Federal awarding agency including identification of any required financial and performance reports;

(4) An approved federally recognized indirect cost rate negotiated between the subrecipient and the Federal Government or, if no such rate exists, either a rate negotiated between the pass-through entity and the subrecipient (in compliance with this part), or a de minimis indirect cost rate as defined in §200.414;

(5) A requirement that the subrecipient permit the pass-through entity and auditors to have access to the subrecipient's records and financial statements as necessary for the passthrough entity to meet the requirements of this part; and

(6) Appropriate terms and conditions concerning closeout of the subaward.

Condition and Context:

Based on a review of agreements UWIRC had with its three program subrecipients, it was noted that the Agreement's did not contain all the required elements of 2 CFR §200.332. For all three subrecipients, UWIRC did not include most of the information required under all data elements (1) through (6) as listed in the criteria section above.

Cause:

UWIRC entered into subrecipient agreements during the onset of the grant program to respond to the public health crisis. As a result of the urgency, UWIRC failed to detect the omissions within its subrecipient agreements.

Effect:

UWIRC is not in compliance with 2 CFR §200.332 and subrecipient notification requirements.

Questioned Costs:

None noted.

Recommendation:

We recommend that UWIRC execute updated written grant agreements with its subrecipients that expressly includes all information described in 2 CFR §200.332 as required by the Uniform Guidance.

Management Views and Corrective Action Plan:

United Way of Indian River County, Inc. has never managed a Federal grant before. Due to the pandemic, we were requested to manage funds from this grant and set the processes up to do so very quickly. As a result of this finding, management will institute the following corrective action plan:

- Submit letters to all sub recipients awarded funding during the audit period, including all points listed above, to ensure appropriate communication of required elements of the award;

- Review each sub recipients' reporting to ensure compliance;

- Review all new sub recipient award letters and memorandums of understanding issued subsequent to the audit period to ensure appropriate communication and compliance with the required elements; and,

- Institute revised policies of award development and communication that incorporates review of all such awards by the Treasurer and/or finance committee prior to dissemination of award letters and memorandums of understanding.

The above corrective action plan will be implemented and completed by July 31, 2022.

United Way of Indian River County, Inc.
Summary Schedule of Prior Audit Findings
Year ended June 30, 2021

There were no instances of findings or questioned costs for major federal award programs in prior years.

KMETZ·ELWELL·GRAHAM & ASSOCIATES, PLLC
Certified Public Accountants

Management Letter

To the Board of Directors and
Senior Management
United Way of Indian River County, Inc. and Affiliate
Vero Beach, Florida

In planning and performing our audit of the consolidated financial statements of United Way of Indian River County, Inc. ("UWIRC") and Affiliate ("Foundation"), together ("United Way") as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered United Way's internal control over financial reporting (internal control) as a basis for designing auditing 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 United Way's internal control. Accordingly, we do not express an opinion on the effectiveness of the UWIRC's internal control.

We have completed our audit of the consolidated financial statements of United Way for the years ended June 30, 2021, and issued our report thereon dated July 5, 2022.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (*Uniform Guidance*)* We have issued our Independent Auditors' 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 Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedules, which are dated July 5, 2022, should be considered in conjunction with this management letter.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

Item 2021-001

Internal control and compliance over subrecipient monitoring.

As a pass-through entity, UWIRC did not comply with all the required communication to its subrecipients, ensuring that each subaward was clearly identified to its subrecipients as a subaward. See the accompanying schedule of findings and questioned costs as item **2021-001**.

STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

No prior year findings.

2800 Ocean Drive • Vero Beach, Florida 32963 • T: 772.231.6902 • F: 772.231.4099
1575 Indian River Boulevard, Suite C240 • Vero Beach, Florida 32960 • T: 772.231.1440 • F: 772.569.4423
www.kegacpa.com
Michael L. Kmetz, CPA, PFS • Brian J. Elwell, CPA • Patrick K. Graham, CPA, MA • Aurelius J. (Reese) Brackins, CPA • H. James Reamy, III, CPA
Andrew W. Williams, CPA • Ralph Beach, III, CPA, MST • James F. McGuigan, Jr., CPA • Stephanie Freetly, CPA • Jeannie Heran, CPA

This management letter is intended for the information of the Board of Directors, management, federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Kmetz, Elwell, Graham & Associates

Kmetz, Elwell, Graham & Associates, PLLC
Certified Public Accountants
Vero Beach, Florida

July 5, 2022