

UNITED WAY OF SOUTH SARASOTA COUNTY, INC.
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2021

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
United Way of South Sarasota County, Inc.
Venice, Florida

Opinion

We have audited the accompanying financial statements of United Way of South Sarasota County, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of South Sarasota County, Inc. as of December 31, 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.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

A handwritten signature in blue ink that reads "Whittaker & Saucier".

Whittaker & Saucier, CPA's
Venice, Florida
July 20, 2022

UNITED WAY OF SOUTH SARASOTA COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2021

(See Independent Auditor's Report)

ASSETS

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Current Assets			
Cash and cash equivalents	\$ 399,963	\$ 52,763	\$ 452,726
Pledges receivable	17,042	-	17,042
Prepaid expenses	2,668	-	2,668
Total Current Assets	<u>419,673</u>	<u>52,763</u>	<u>472,436</u>
Non-Current Assets			
Investments	710,424	-	710,424
Beneficial interest in Foundation of United Way of United Way of South Sarasota County, Inc.	577,916	-	577,916
Property and equipment, net of \$11,179 of accumulated depreciation	190,252	-	190,252
Total Non-Current Assets	<u>1,478,592</u>	<u>-</u>	<u>1,478,592</u>
Total Assets	<u>\$ 1,898,265</u>	<u>\$ 52,763</u>	<u>\$ 1,951,028</u>

LIABILITIES AND NET ASSETS

Current Liabilities			
Accounts payable and accrued expenses	\$ 16,222	\$ -	\$ 16,222
Allocations payable	280,000	-	280,000
Total Current Liabilities	<u>296,222</u>	<u>-</u>	<u>296,222</u>
Total Liabilities	<u>296,222</u>	<u>-</u>	<u>296,222</u>
Net Assets			
Without donor restrictions	1,602,043	-	1,602,043
With donor restrictions	-	52,763	52,763
Total Net Assets	<u>1,602,043</u>	<u>52,763</u>	<u>1,654,806</u>
Total Liabilities and Net Assets	<u>\$ 1,898,265</u>	<u>\$ 52,763</u>	<u>\$ 1,951,028</u>

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

UNITED WAY OF SOUTH SARASOTA COUNTY, INC.
STATEMENT OF ACTIVITIES
For the year ended December 31, 2021

(See Independent Auditor's Report)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and Support:			
Campaign contributions	\$ 511,737	\$ 20,219	\$ 531,956
Contributions in-kind	7,888	-	7,888
Foundation and trust grants	137,500	-	137,500
Program contributions	46,857	-	46,857
Special events	1,046	-	1,046
Interest	745	-	745
Net investment income	93,720	-	93,720
Change in net assets of The Foundation of the United Way of South Sarasota County, Inc.	110,272	-	110,272
Rental income	12,100	-	12,100
Other income	280	-	280
	<hr/>	<hr/>	<hr/>
Subtotal Revenue and Support	922,145	20,219	942,364
Net assets released from restrictions	<hr/> 15,451	<hr/> (15,451)	<hr/> -
	<hr/>	<hr/>	<hr/>
Total Revenue and Support	937,596	4,768	942,364
Expenses:			
Program services	481,581	-	481,581
Management and general	122,345	-	122,345
Fund raising	175,225	-	175,225
	<hr/>	<hr/>	<hr/>
Total Expenses	779,151	-	779,151
Increase (decrease) in net assets	158,445	4,768	163,213
Net assets at beginning of year	<hr/> 1,443,598	<hr/> 47,995	<hr/> 1,491,593
	<hr/>	<hr/>	<hr/>
Net assets at end of year	<u>\$ 1,602,043</u>	<u>\$ 52,763</u>	<u>\$ 1,654,806</u>

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

UNITED WAY OF SOUTH SARASOTA COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2021

(See Independent Auditor's Report)

	Program Services	Management and General	Fund Raising	Total
Salaries, wages and payroll taxes	\$ 21,787	\$ 106,892	\$ 98,268	\$ 226,947
Allocations to agencies	373,906	-	-	373,906
Allocations - other	13,757	-	-	13,757
Contracts:				
2-1-1	5,517	-	-	5,517
IT	-	1,841	-	1,841
Professional fees	-	2,033	-	2,033
Office, administrative and other	37,314	7,822	41,600	86,736
Donor development	-	-	34,302	34,302
Bank and credit card fees	-	-	188	188
Telephone and website	434	434	867	1,735
Dues - United Way and other	3,320	-	-	3,320
Insurance	-	692	-	692
Program Expenses:				
Publix	11,093	-	-	11,093
VITA	3,797	-	-	3,797
Women United	10,656	-	-	10,656
Depreciation	-	2,631	-	2,631
Total Expenses	\$ 481,581	\$ 122,345	\$ 175,225	\$ 779,151

The accompanying notes are an integral part of these financial statements

UNITED WAY OF SOUTH SARASOTA COUNTY, INC.
STATEMENT OF CASH FLOWS
For the year ended December 31, 2021

(See Independent Auditor's Report)

Cash flows from operating activities:	
Increase (decrease) in net assets	\$ <u>163,213</u>
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:	
Depreciation	3,797
Change in pledges receivable	77,237
Change in prepaid expenses	(2,668)
Change in beneficial interest in foundation	(110,272)
Change in accounts payable	10,850
Change in allocations payable	<u>136,136</u>
Total Adjustments	<u>115,080</u>
Net cash provided (used) by operating activities	<u>278,293</u>
Cash flows from investing activities:	
Cash payments for capital assets	(194,049)
Change in investments	<u>(93,721)</u>
Net cash provided (used) by investing activities	<u>(287,770)</u>
Net increase (decrease) in cash and equivalents	(9,477)
Cash and cash equivalents, beginning of year	<u>462,203</u>
Cash and cash equivalents, end of year	<u>\$ 452,726</u>
Supplemental Disclosure:	
Interest paid	\$ -

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

UNITED WAY OF SOUTH SARASOTA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

(See Independent Auditor's Report)

NOTE 1 - ORGANIZATION

The United Way of South Sarasota County, Inc. (the "Organization") is a not-for-profit organization formed under Internal Revenue Code Section 501(c)(3), located in Venice, Florida. The Organization conducts an annual fund raising campaign on behalf of not-for-profit organizations in Venice, North Port, Nokomis, Laurel, Englewood and Osprey, Florida that provide various health and welfare services to the communities. The Organization evaluates how well the need for services are being met, plans for new services and changes in service levels, and evaluates the efficiency and effectiveness of the agencies it supports.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

New Accounting Pronouncement

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The ASU is effective for the Organization's year ending July 31, 2019 and thereafter and is applied on a retroactive basis. The Organization has adjusted the presentation of these statements accordingly.

Financial Statement Presentation

ASU 2016-14 requires significant changes to the financial reporting model of organizations that follow the not-for-profit reporting model. Under ASU 2016-14, classes of net assets are reduced from three (unrestricted, temporarily restricted, and permanently restricted) to two. In accordance with U.S. generally accepted accounting principles ("US GAAP"), the Organization now reports information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and board of directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statement of Activities.

UNITED WAY OF SOUTH SARASOTA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2021

(See Independent Auditor's Report)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed 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 restrictions and reported in the statement of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Pledges Receivable

The Organization records pledges receivable at their net realizable value. At December 31, 2021, the Organization had \$17,645 in pledges receivable.

Uncollected Pledges

The Organization maintains an allowance for doubtful pledges based on historical trends and management estimates. When an account is determined uncollectible, it is deducted from accounts receivable and charged against the uncollectible pledge allowance.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Donated Services

Volunteer services are recognized if the services received (a) create or increase 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. The Organization had a substantial number of volunteers that donated significant amounts of their time to program services that were not recognized as program revenue and expense since they do not meet the criteria described above.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with an original maturity of three months or less to be cash equivalents.

UNITED WAY OF SOUTH SARASOTA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2021

(See Independent Auditor's Report)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments in marketable securities are recorded at their fair values. Fair value is the net asset value for money market and mutual funds, and the closing sale or bid for bonds and common stock. Realized and unrealized gains and losses are included in revenues on the Statement of Activities.

Property and Equipment

Property and equipment assets are recorded at cost, if purchased, or at estimated fair value at the date of donation, if contributed. Depreciation is computed on a straight-line basis over their estimated useful lives.

Income Tax Status

The Organization has been determined to be an organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Income, if any, from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income.

Functional Expenses

The financial statements report certain categories or expenses that are attributable to both program and supporting functions of the Organization. Accordingly, certain costs have been allocated between program and supporting services benefited. Such allocations are determined by management on an equitable basis.

These allocated costs, along with other expenses that clearly only benefit program functions or only benefit supporting activities, have been summarized on a functional basis on the statement of activities.

Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to credit risk include cash, accounts receivable and investments. The Organization's management attempts to prudently manage cash and cash equivalents and monitors outstanding accounts receivable. Deposit accounts at each commercial banking institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. As of December 31, 2021, the Organization had \$152,671 in uninsured cash balances.

Change in Accounting Period

The fiscal year-end of the Organization was changed from July 31 to December 31. This audit report does not cover the short unaudited period of August 1, 2020 through December 31, 2020.

NOTE 3 - FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date.

UNITED WAY OF SOUTH SARASOTA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2021

(See Independent Auditor's Report)

NOTE 3 - FAIR VALUE MEASUREMENTS (Continued)

Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Organization groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1 Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2 Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets/liabilities in active markets;
- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted prices that are observable for the asset/liability; and
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3 Unobservable inputs that cannot be corroborated by observable market data.

The following table sets forth by level, within the fair value hierarchy, The Organization's financial assets measured at fair value on a recurring basis as of December 31, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and cash equivalents				
Checking account	\$ 39,679	\$ -	\$ -	\$ 39,679
Money market account	412,606	-	-	412,606
PayPal	441	-	-	441
	<u>452,726</u>	<u>-</u>	<u>-</u>	<u>452,726</u>
Investments	710,424	-	-	710,424
	<u>\$ 1,163,150</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,163,150</u>

The Organization maintains investment accounts with Fidelity Investments through a local investment advisor, Fourthought Private Wealth, which considers 100% of the funds to be invested in Level 1.

NOTE 4 – RELATED PARTY TRANSACTIONS

A related party, The Foundation of the United Way of South Sarasota County, Inc. (the "Foundation"), was created during the year ended July 31, 2001 for the exclusive benefit of the United Way of South Sarasota County. The Articles of Incorporation of the Foundation state that the United Way of South Sarasota County, Inc. shall select the Board of Directors of the Foundation.

UNITED WAY OF SOUTH SARASOTA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2021

(See Independent Auditor's Report)

NOTE 4 – RELATED PARTY TRANSACTIONS (Continued)

The Articles of Incorporation of the Foundation state that the United Way of South Sarasota County, Inc. shall select the Board of Directors of the Foundation. The United Way adopted FAS136 "Transferred Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contribution for Other." FAS136 establishes standards for transactions in which a donor makes a contribution to a not-for-profit organization (recipient) that agrees to transfer those assets to another entity (beneficiary). The statement requires that if the beneficiary and donor are the same, the beneficiary must recognize its interest in the net assets of the recipient organization.

In September 2021, the Board of Directors of the Organization unanimously voted to dissolve the Foundation. The dissolution of the Foundation is to take place in 2022.

NOTE 5 – THE FOUNDATION OF THE UNITED WAY OF SOUTH SARASOTA COUNTY, INC.

The Foundation's purpose is to raise funds solely for the benefit and support of the United Way of South Sarasota County. Unaudited financial information of The Foundation of the United Way South Sarasota County, Inc. for the year ended December 31, 2021 is summarized as follows:

<u>BALANCE SHEET</u>		
Assets:	Cash	\$ 67,532
	Endowment fund	<u>510,384</u>
	Total Assets	<u>\$ 577,916</u>
Equity:	Retained Earnings	\$ 467,644
	Net Income	<u>110,272</u>
	Total Liabilities and Equity	<u>\$ 577,916</u>

<u>INCOME STATEMENT</u>		
Income:	Fundraising – net	\$ 21,292
	Net investment gain (loss)	<u>129,765</u>
	Total Income	151,057
Expenses:	Payroll Expenses	17,820
	Other	<u>22,965</u>
	Total Expenses	40,785
	Net Income	<u>\$ 110,272</u>

The Income Statement shown above includes the net income of the Foundation from August 1, 2020 through December 31, 2021. The Foundation did not change its accounting period. The total equity and net income presented above are reflected in these financial statements.

NOTE 6 - SUBSEQUENT EVENTS

In accordance with FASB Accounting Standards Codification 855, Subsequent Events, the Organization has evaluated subsequent events to the Statement of Financial Position date of December 31, 2021 through July 20, 2022 (the date the financial statements were available to be issued) for potential recognition and disclosure. Subsequent to the date of these financial statements, the Foundation was dissolved. Management has determined that there are no other subsequent events that require disclosure.

UNITED WAY OF SOUTH SARASOTA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2021

(See Independent Auditor's Report)

NOTE 7 - IN-KIND CONTRIBUTIONS

The Organization receives in-kind contributions due to receiving below market value rent for the Organization's office space leased from the Loveland Center, Inc. The total in-kind contributions for the year ended December 31, 2021 were \$7,888, including \$7,768 in in-kind rent.

NOTE 8 - LEASES

The Organization had a lease for office space located at 157 Havana Road in Venice, Florida that expired on October 15, 2019. The lease was for one dollar (\$1.00) per year. See Note 7 for in-kind rent contribution.

The Organization has since signed a lease with 4240 S Trail, LLC to rent office space at 4242 South Tamiami Trail, Unit A, Venice, Florida. A portion of this office space is being sublet to other tenants. The initial term of the lease was 60 months from the date a certificate of occupancy was issued and the Organization has the option to extend the term for two consecutive periods of 5 years each.

Monthly rent includes a base rent of \$8,092.50 plus additional rent equal to the unit's proportionate share of the total office space for real estate taxes and other assessments. Base rent plus additional rent for each of the two months that the lease was in effect during 2021 totaled \$9,576. Base rent for the second through the fifth years shall increase by 3% annually.

The Organization signed a five-year leasing agreement for office equipment that began July 14, 2020, at a cost of \$213 per month.

Future minimum lease payments are as follows for the years ended December 31,

	Office Equipment	Office Space
2022	\$ 2,556	\$ 115,399
2023	2,556	118,327
2024	2,556	121,343
2025	1,491	124,449
2026	<u>0</u>	<u>105,918</u>
Totals	<u>\$ 9,159</u>	<u>\$ 585,436</u>

NOTE 9 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2021:

Office equipment	\$ 26,350
Leasehold Improvements	168,671
Signs	6,410
Less accumulated depreciation	<u>(11,179)</u>
Net Property and Equipment	<u>\$ 190,252</u>

Depreciation expense for the year ended December 31, 2021 was \$2,631.

UNITED WAY OF SOUTH SARASOTA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2021

(See Independent Auditor's Report)

NOTE 10 – SUMMARY OF ALLOCATION TO AGENCIES

Agency allocations reflect amounts payable at December 31, 2021 for payment during 2020/2021 less prior year forfeitures plus one-time allocations. The allocations to agencies were as follows:

Agency Allocations:	
Big Brothers/Big Sisters	\$ 15,792
Boys & Girls Clubs	7,917
Catholic Charities Venice	5,000
Charlotte HIV/Aids CHAPS	14,875
Child Protection Center	29,375
Children First	19,833
Epilepsy Services	11,083
Family Network on Disabilities	833
Family Promise	28,500
Florida Center	23,417
Girl Scouts	6,875
Good Samaritan Pharmacy	21,833
Gulfcoast Legal Services	22,625
Literacy Volunteers	12,750
Loveland Center	31,250
North Port Meals on Wheels	31,500
Salvation Army	13,198
Senior Friendship Center	12,708
SPARCC	11,458
Teen Court	9,667
The Twig Cares, Inc.	8,000
Venice Area Mobile Meals	6,667
YMCA	<u>28,750</u>
Total Agency Allocations	373,906
Total One-Time Allocations	<u>16,731</u>
Total Allocations	<u>\$ 390,637</u>

NOTE 11 – RESTRICTIONS ON NET ASSETS

Donor restrictions on net assets as of December 31, 2021 consisted of the following:

Covid-19 Assistance	\$ 24,125
Publix Emergency Fund	<u>28,638</u>
Total Donor Restricted Net Assets	<u>\$ 52,763</u>

UNITED WAY OF SOUTH SARASOTA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2021

(See Independent Auditor's Report)

NOTE 12 – LIQUIDITY AND AVAILABILITY

The following table represents the Organization's financial assets at December 31, 2021 reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual or donor restrictions or internal board designations:

Operating Reserve Available	
Cash and cash equivalents without donor restrictions	\$ 399,963
Pledges receivable, net	17,042
Prepaid expenses	2,668
Investments	710,424
Total	<u>\$ 1,130,097</u>

The Organization receives contributions and promises to give restricted by donors, and considers contributions restricted for programs that are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that any long-term obligations will be discharged.

NOTE 13 – INVESTMENT INCOME

The Organization had net investment income from investments in securities that totaled \$93,720 for the fiscal year ending December 31, 2021. Net investment income was comprised of:

Interest and dividends	\$ 18,515
Realized gains (losses) on investments	90,669
Unrealized gains (losses) on investments	(10,052)
Investment advisory fees	(5,412)
Total	<u>\$ 93,720</u>

NOTE 14 - TAX RETURN STATUS

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. At December 31, 2021, the Organization had determined that no income taxes are due for such activities. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements. Management annually reviews its tax positions and has determined that there are no material uncertain tax positions that require recognition in the financial statements.

Under federal and state income tax laws, an entity's income tax returns are subject to examination by the applicable taxing authorities. The time period during which a return may be selected for examination generally ends at the later of three years after the initial due date of the return or three years after the return is filed. At December 31, 2021, the Organization's federal returns filed for the fiscal years ending in 2018, 2019 and 2020 remain open for examination by the Internal Revenue Service.