

**UNITED WAY EMERALD COAST, INC.**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**JUNE 30, 2021**

**UNITED WAY EMERALD COAST, INC.**  
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**JUNE 30, 2021**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
United Way Emerald Coast, Inc.

We have audited the accompanying financial statements of the United Way Emerald Coast, Inc. (the Organization) which comprise the statement of financial position as of June 30, 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.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of the United Way Emerald Coast, Inc. 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.

**Report on Summarized Comparative Information**

We have previously audited the Organization's 2020 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated June 30, 2021. 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 financial statements from which it has been derived.

*Warren Averett, LLC*

Fort Walton Beach, Florida  
November 23, 2021

**UNITED WAY EMERALD COAST, INC.  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 665,826	\$ 671,538
Cash – restricted	127,180	126,274
Certificates of deposit	263,349	263,057
Campaign pledges receivable, net	389,999	291,545
Other receivables	32,036	-
Property and equipment, net	132,235	138,449
<b>TOTAL ASSETS</b>	<b>\$ 1,610,625</b>	<b>\$ 1,490,863</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 3,832	\$ 3,829
Grants payable	450,000	400,000
Accrued liabilities	10,505	-
Deferred revenue	16,921	-
Refundable advances	185,523	130,962
Donor designations	106,064	95,568
<b>TOTAL LIABILITIES</b>	<b>772,845</b>	<b>630,359</b>
<b>NET ASSETS</b>		
Without donor restrictions	5,836	70,009
With donor restrictions	831,944	790,495
<b>TOTAL NET ASSETS</b>	<b>837,780</b>	<b>860,504</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,610,625</b>	<b>\$ 1,490,863</b>

See notes to the financial statements.

**UNITED WAY EMERALD COAST, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)**

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2021	2020
<b>CAMPAIGN REVENUES</b>				
Gross campaign contributions	\$ 15,872	\$ 1,101,015	\$ 1,116,887	\$ 1,072,813
Less donor designations	-	(106,064)	(106,064)	(95,568)
Less allowance for uncollectible pledges	-	(180,000)	(180,000)	(200,000)
Total net campaign revenues	15,872	814,951	830,823	777,245
<b>OTHER SUPPORT</b>				
Special events	68,917	-	68,917	15,567
Grants and other contributions	135,417	-	135,417	386,845
Bad debt recovery	1,680	-	1,680	30,027
Interest and miscellaneous	516	-	516	9,393
Rental income	8,250	-	8,250	5,750
Forgiveness of PPP loan	59,000	-	59,000	-
Total other support	273,780	-	273,780	447,582
Net assets released from restrictions	773,502	(773,502)	-	-
Total campaign revenues, other support, and net assets released from restrictions	1,063,154	41,449	1,104,603	1,224,827
<b>ALLOCATIONS AND OTHER FUNCTIONAL EXPENSES</b>				
Program services				
Awards and distributions to agencies	539,369	-	539,369	449,754
Less donor designations	(95,568)	-	(95,568)	(156,181)
Other program services	460,273	-	460,273	540,273
Total program services	904,074	-	904,074	833,846
Supporting services				
Management and general	71,661	-	71,661	60,920
Fundraising	151,592	-	151,592	115,191
Total supporting services	223,253	-	223,253	176,111
Total allocations and other functional expenses	1,127,327	-	1,127,327	1,009,957
<b>CHANGE IN NET ASSETS</b>	(64,173)	41,449	(22,724)	214,870
<b>NET ASSETS AT BEGINNING OF YEAR</b>	70,009	790,495	860,504	645,634
<b>NET ASSETS AT END OF YEAR</b>	\$ 5,836	\$ 831,944	\$ 837,780	\$ 860,504

See notes to the financial statements.

**UNITED WAY EMERALD COAST, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)**

	Program Services				Support Services		Totals	
	Public Assistance	ReadingPals	CARES Act	Totals	Management and General	Fundraising	2021	2020
<b>EMPLOYEE COMPENSATION</b>								
Salaries and wages	\$ 162,778	\$ 19,856	\$ 10,890	\$ 193,524	\$ 37,982	\$ 70,537	\$ 302,043	\$ 269,284
Employee benefits	9,088	81	-	9,169	2,121	3,938	15,228	13,136
Payroll taxes	13,654	760	-	14,414	3,185	5,917	23,516	20,435
Other personnel costs	2,676	1,434	-	4,110	624	1,160	5,894	1,256
Total employee compensation	188,196	22,131	10,890	221,217	43,912	81,552	346,681	304,111
<b>OPERATING EXPENSES</b>								
Awards and distributions								
to agencies	539,369	-	-	539,369	-	-	539,369	449,754
Less donor designations	(95,568)	-	-	(95,568)	-	-	(95,568)	(156,181)
Financial assistance – individuals	45,000	-	-	45,000	-	-	45,000	16,128
Noncash assistance - individuals	-	-	18,672	18,672	-	-	18,672	-
Emergency relief – agencies	63,800	-	-	63,800	-	-	63,800	215,000
Special events	3,921	-	-	3,921	-	15,684	19,605	10,595
Advertising and marketing	3,008	685	198	3,891	-	12,033	15,924	15,841
Campaign	1,211	-	-	1,211	1,211	5,651	8,073	7,213
Depreciation	5,592	-	-	5,592	311	311	6,214	11,292
Dues	10,907	-	-	10,907	4,363	6,544	21,814	18,647
Insurance	10,175	-	-	10,175	1,356	2,035	13,566	13,220
Meetings and conventions	2,640	331	-	2,971	1,056	1,584	5,611	4,142
Occupancy	12,657	-	-	12,657	2,712	2,712	18,081	13,587
Postage	274	42	24	340	110	164	614	350
Professional fees	10,820	-	-	10,820	4,328	6,492	21,640	14,000
Repairs and maintenance	15,144	1,532	-	16,676	3,245	3,245	23,166	25,835
Supplies	17,441	4,372	3,236	25,049	6,976	10,464	42,489	35,042
Telephone	2,900	1,028	225	4,153	1,160	1,740	7,053	6,447
Travel	2,302	321	598	3,221	921	1,381	5,523	4,934
Total operating expenses	651,593	8,311	22,953	682,857	27,749	70,040	780,646	705,846
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 839,789</b>	<b>\$ 30,442</b>	<b>\$ 33,843</b>	<b>\$ 904,074</b>	<b>\$ 71,661</b>	<b>\$ 151,592</b>	<b>\$ 1,127,327</b>	<b>\$ 1,009,957</b>

See notes to the financial statements.

**UNITED WAY EMERALD COAST, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (22,724)	\$ 214,870
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	6,214	11,292
Forgiveness of PPP loan	(59,000)	-
(Increase) decrease in assets:		
Campaign pledges receivable	(98,454)	201,556
Other receivables	(32,036)	-
Increase (decrease) in liabilities:		
Accounts payable	3	3,736
Grants payable	50,000	(29,402)
Accrued liabilities	10,505	-
Deferred revenue	16,921	(250)
Refundable advances	54,558	40,571
Donor designations to other agencies	10,496	(60,613)
Net cash provided by (used in) operating activities	<u>(63,517)</u>	<u>381,760</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment in certificates of deposit	(103,560)	(48,951)
Maturity of certificates of deposit	103,268	44,082
Net cash used in investing activities	<u>(292)</u>	<u>(4,869)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from PPP loan	59,003	59,000
<b>NET INCREASE (DECREASE) IN CASH</b>	(4,806)	435,891
<b>CASH AT BEGINNING OF YEAR</b>	<u>797,812</u>	<u>361,921</u>
<b>CASH AT END OF YEAR</b>	<u>\$ 793,006</u>	<u>\$ 797,812</u>
<b>COMPOSITION OF CASH</b>		
Cash and cash equivalents	\$ 665,826	\$ 671,538
Cash – restricted	127,180	126,274
	<u>\$ 793,006</u>	<u>\$ 797,812</u>

See notes to the financial statements.



**UNITED WAY EMERALD COAST, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF THE ORGANIZATION**

**Description of the Organization**

The United Way Emerald Coast, Inc. (the Organization) was incorporated in 1957 under the laws of the State of Florida to assess, develop, and promote needed human service programs in Okaloosa and Walton Counties of Florida. In 2019, the Organization changed its name from United Way of Okaloosa/Walton Counties, Inc. to its current name by filing amended articles of incorporation with the State of Florida.

The major program of the Organization is conducting a fundraising campaign each year and distributing those funds according to both donor designations and allocations of undesignated contributions as approved by the Board of Directors. The Organization also administers a temporary financial assistance program for individuals with a financial hardship. These activities are reported as public assistance in the statement of functional expenses.

The Organization also conducts programs to administer a local chapter of ReadingPals, a statewide early literacy initiative and to provide emergency financial assistance to individuals impacted by the COVID-19 pandemic under a Coronavirus Aid, Relief, and Economic Security (CARES) Act grant agreement with Walton County, Florida.

**Basis of Accounting and Presentation**

The financial statements of the Organization have been prepared on the accrual basis of accounting and in accordance with the accounting principles generally accepted in the United States of America (US GAAP) which requires that the Organization report information regarding its financial position and activities based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes in net assets therein are classified as follows:

*Net assets without donor restrictions* – net assets available for general use that are not subject to donor restrictions.

*Net assets with donor restrictions* – net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature that may, or will, be met either by passage of time or the events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all highly liquid financial instruments with a maturity of three months or less on the purchase date to be cash equivalents.

**Certificates of Deposit**

Certificates of deposit are recorded at cost plus accrued interest, which approximates fair value.

**Receivables**

Receivables consist primarily of pledged support to be received from annual fundraising campaigns and State of Florida contracts. An allowance for doubtful accounts related to the campaign pledges is calculated based on prior collection experience.

**UNITED WAY EMERALD COAST, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF THE ORGANIZATION – CONTINUED**

**Property and Equipment**

The Organization capitalizes all purchases of land, buildings, and equipment in excess of \$500. Donated assets are recorded at their estimated acquisition value on the date of donation. Depreciation of building and equipment is computed using the straight-line method over the estimated useful lives of the assets, which range from five to 40 years. Gifts of land, buildings, and equipment are recorded as increases in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions.

**Contributions**

Contributions are recognized as revenues in the period in which they are pledged. Contributions with donor restrictions are classified as increases in net assets without donor restrictions if the restrictions are met in the same reporting period in which the contributions are received.

Contributions received are recorded as increases in net assets with donor restrictions or increases in net assets without donor restrictions, depending on the existence and/or nature of any donor restrictions. All other support with donor restrictions are reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), the underlying net assets are reclassified and released from restrictions in the statement of activities.

**Refundable Advances**

The Organization receives cash from certain grants before qualifying expenses are incurred. Refundable advances represent unspent grant proceeds that will be recognized as revenue in future periods when the donor-imposed conditions are substantially met.

**Donor Designations**

Some donors designate the specific agency that is to receive their contributions. These donor designations are presented as an offset to campaign revenues and program services in the statement of activities. The amounts that have not been remitted to the designated agency at year-end are presented as a liability in the statement of financial position.

**Expense Allocation**

The costs of providing the various programs and other activities have been detailed in the statement of functional expenses and summarized on a functional basis in the statement of activities. Expenses directly related to a program or supporting services are charged to that program or supporting service. Indirect expenses are allocated between program services and supporting services based on labor hours or square footage.

**UNITED WAY EMERALD COAST, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF THE ORGANIZATION – CONTINUED**

**Expense Allocation – Continued**

The expense allocation utilized during the year is as follows:

	<b>Allocation</b>	
	<b>Labor</b>	<b>Footage</b>
Program services	60%	70%
Management and general	14%	15%
Fundraising	26%	15%

**Fundraising**

Fundraising expenses are considered an expense in the year incurred and, accordingly, are charged to operations on a current basis.

**Donated Materials, Equipment, and Service**

Donated materials and equipment are reflected as contributions in the accompanying statements at their estimated acquisition values on the date of receipt. In addition, a substantial number of volunteers have donated significant amounts of their time in the Organization's program services and in its fundraising campaigns. However, no amounts have been reflected in the financial statements because these services do not meet the specialized skills definition required for not-for-profit entities.

**Income Taxes**

The Organization has been granted an exemption from income taxes under Internal Revenue Code Section 501(c)(3) as a not-for-profit corporation. The Organization is not aware of any uncertain tax positions that would require disclosure or accrual in accordance with generally accepted accounting principles.

The Organization's information returns are subject to possible examination by the taxing authorities. For federal tax purposes, the information returns filed remain open to possible examination for a period of three years after the respective filing deadlines of those returns.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**UNITED WAY EMERALD COAST, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF THE ORGANIZATION – CONTINUED**

**Reclassifications**

Certain amounts presented in the prior year have been reclassified in order to be consistent with the current year presentation. Such reclassifications have no effect on net assets previously reported.

**Comparative Data**

The financial statements include certain prior year summarized comparative information in total but not by asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2020, from which the summarized information is derived.

**Subsequent Events**

The Organization has evaluated events and transactions that occurred between June 30, 2021, and November 23, 2021, which is the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

**2. CERTIFICATES OF DEPOSIT**

As of June 30, 2021, the Organization held four certificates of deposit totaling \$263,349. The certificates of deposit bear interest at rates between 0.10% and 0.23% with maturity dates ranging from November 2021 to April 2022.

**3. LIQUIDITY AND AVAILABILITY**

The Organization regularly monitors liquidity to meet its operating needs and other contractual commitments. The Organization has various sources of liquidity at its disposal including cash, certificates of deposit, and campaign pledges receivable. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities of its mission as well as the conduct of services undertaken to support those activities to be general expenditures.

**UNITED WAY EMERALD COAST, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

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**3. LIQUIDITY AND AVAILABILITY – CONTINUED**

As of June 30, 2021, the following table shows the total financial assets held by the Organization and the amounts of those financial assets available within one year of the date of the statement of net position to meet general expenditures.

Financial assets at year end:

Cash and cash equivalents	\$ 793,006
Certificates of deposit	263,349
Campaign pledges receivable, net	389,999
Other receivables	<u>32,036</u>
Total financial assets at year end	1,478,390

Financial assets unavailable to meet general expenditures over the next 12 months:

Cash and cash equivalents - restricted	<u>(127,180)</u>
Total financial assets available to meet general expenditures over the next 12 months	<u><u>\$ 1,351,210</u></u>

**4. RECEIVABLES**

**Campaign Pledges Receivable**

As of June 30, 2021, pledged campaign funds receivable were comprised of the following:

2018 campaign	\$ 164,877
2019 campaign	198,220
2020-21 campaign	569,999
Less allowance for doubtful accounts	<u>(543,097)</u>
Total	<u><u>\$ 389,999</u></u>

**Other Receivables**

As of June 30, 2021, other receivables consisted of the following:

Publix Emergency Assistance Fund	\$ 16,333
RSVP grant - Walton County	10,008
RSVP grant - Okaloosa County	<u>5,695</u>
Total	<u><u>\$ 32,036</u></u>

**UNITED WAY EMERALD COAST, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**5. PROPERTY AND EQUIPMENT**

As of June 30, 2021, property and equipment was summarized as follows:

Land	\$ 56,000
Buildings and improvements	358,061
Equipment	<u>75,791</u>
	489,852
Less accumulated depreciation	<u>(357,617)</u>
Total property and equipment, net	<u><u>\$ 132,235</u></u>

Depreciation expense was \$6,214 for the year ended June 30, 2021.

**6. REFUNDABLE ADVANCES**

Refundable advances consisted of the following as of June 30, 2021:

Grant advance - Reading Pals	\$ 126,520
Paycheck Protection Program (PPP) loan	<u>59,003</u>
	<u><u>\$ 185,523</u></u>

**Paycheck Protection Program (PPP) Loan**

The Organization received a second Paycheck Protection Program (PPP) loan in the amount of \$59,003 granted by the U.S. Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). PPP loans are classified as conditional contributions, with a right-of-return in the form of an obligation to be repaid to the lender if a barrier to entitlement is not overcome. The PPP loan funds must be used to maintain compensation costs and employee headcounts, as well as for other qualifying expenses (mortgage interest, rent, and utilities) incurred following the receipt of the funds. In October 2021, the Organization applied for the second PPP loan to be fully forgiven.

**UNITED WAY EMERALD COAST, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**7. NET ASSETS**

**Net Assets with Donor Restrictions**

As of June 30, 2021, the Organization's net assets with donor restrictions consisted of the following:

Time restrictions (net campaign pledges expected within the next year)	\$ 1,101,015
Less donor designations	(106,064)
Less allowance for uncollectible pledges	(180,000)
Restricted by donor - Publix Emergency Assistance Fund	16,993
Total	<u>\$ 831,944</u>

For the year ended June 30, 2021, net assets were released from donor restrictions for the following purposes:

Time restrictions (net campaign pledges received in prior periods)	\$ 1,031,751
Less donor designations	(95,568)
Less allowance for uncollectible pledges	(200,000)
Publix Emergency Assistance Fund	22,319
COVID-19 relief	15,000
Total	<u>\$ 773,502</u>

**8. RETIREMENT PLANS**

The Organization sponsors a defined contribution simplified employee pension (SEP) plan that covers all personnel who have been employed for more than one year. The SEP plan provides for employer contributions of 4% of eligible employee compensation. For the year ended June 30, 2021, the Organization's contributions to the SEP plan were \$4,007.

The Organization also sponsors a tax deferred 403(b) retirement plan for eligible employees. The Organization does not contribute to this retirement plan, which is funded solely by employee contributions under salary reduction arrangements and is entirely separate from the aforementioned SEP plan.

**9. TRANSACTIONS WITH AFFILIATED ORGANIZATIONS**

The Organization remits quarterly membership dues to its global affiliate organization, United Way Worldwide. For the year ended June 30, 2021, the Organization remitted dues of \$17,713 to United Way Worldwide.

The Organization remits quarterly membership dues to its state affiliate organization, United Way of Florida, Inc. For the year ended June 30, 2021, the Organization remitted dues of \$2,686 to United Way of Florida, Inc.

**UNITED WAY EMERALD COAST, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**10. PAYCHECK PROTECTION PROGRAM (PPP) LOAN FORGIVENESS**

In April 2020, the Organization received \$59,000 from a local financial institution through the Paycheck Protection Program (PPP) to be used to maintain compensation costs and employee headcounts, as well as for other qualifying expenses (rent and utilities) incurred following the receipt of the funds. If the Organization had used the funds for specified purposes, the loan was to be forgiven in full. In the prior fiscal year, the Organization fully expended these funds for eligible purposes. However, it had not received notice of forgiveness from the local financial institution. As such, it was considered a conditional contribution and recorded as a refundable advance on the statement of net position as of June 30, 2020. In January 2021, the Organization received notification of forgiveness from the financial institution, thus relieving the implied barrier to entitlement. The Organization recognized \$59,000 as contributions without donor restrictions in the statement of activities for the year ended June 30, 2021.

**11. CONCENTRATION OF CUSTODIAL CREDIT RISK**

The Organization maintains its cash accounts at various local financial institutions. The balances on deposit are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of June 30, 2021, the Organization exceeded federally insured limits by \$265,504, which is the amount of its exposure to credit losses. The Organization has not experienced any such losses, and management believes there is little or no exposure to any significant credit risk.