

UNITED WAY EMERALD COAST, INC.

FINANCIAL STATEMENTS

JUNE 30, 2023

UNITED WAY EMERALD COAST, INC.
TABLE OF CONTENTS
JUNE 30, 2023

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to the Financial Statements	7

INDEPENDENT AUDITORS' REPORT

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

Opinion

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, 2023, 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 Emerald Coast, Inc. as of June 30, 2023, 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 the Organization 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 the Organization'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 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 the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2022 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated November 10, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Warren Averett, LLC

Fort Walton Beach, Florida
January 8, 2024

UNITED WAY EMERALD COAST, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

ASSETS		
	2023	2022
Cash and cash equivalents - unrestricted	\$ 662,911	\$ 732,143
Cash and cash equivalents - restricted	224,121	130,651
Certificates of deposit	114,956	114,848
Campaign pledges receivable, net	359,119	386,836
Other receivables	187,439	51,624
Property and equipment, net	148,503	137,571
TOTAL ASSETS	\$ 1,697,049	\$ 1,553,673
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 55,143	\$ 19,510
Grants payable	380,000	360,000
Accrued liabilities	14,435	14,435
Deferred revenue	7,500	14,000
Refundable advances	224,121	130,651
Donor designations	56,567	105,302
TOTAL LIABILITIES	737,766	643,898
NET ASSETS		
Without donor restrictions	288,867	197,507
With donor restrictions	670,416	712,268
TOTAL NET ASSETS	959,283	909,775
TOTAL LIABILITIES AND NET ASSETS	\$ 1,697,049	\$ 1,553,673

See notes to the financial statements.

UNITED WAY EMERALD COAST, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2023	2022
CAMPAIGN REVENUES				
Gross campaign contributions	\$ -	\$ 826,983	\$ 826,983	\$ 956,060
Less donor designations	-	(56,567)	(56,567)	(105,302)
Less allowance for uncollectible pledges	-	(100,000)	(100,000)	(130,000)
Total net campaign revenues	-	670,416	670,416	720,758
OTHER SUPPORT				
Special events	-	-	-	16,285
Grants and similar programs	480,147	-	480,147	150,399
Contributions of financial assets	77,514	-	77,514	79,549
Contributions of nonfinancial assets	87,161	-	87,161	6,029
Bad debt recovery	26,424	-	26,424	39,914
Interest and miscellaneous	10,206	-	10,206	6,625
Rental income	7,950	-	7,950	8,550
Forgiveness of PPP loan	-	-	-	59,003
Total other support	689,402	-	689,402	366,354
Net assets released from restrictions	712,268	(712,268)	-	-
Total campaign revenues, other support, and net assets released from restrictions	1,401,670	(41,852)	1,359,818	1,087,112
ALLOCATIONS AND OTHER FUNCTIONAL EXPENSES				
Program services				
Awards and distributions to agencies	472,089	-	472,089	403,685
Less donor designations	(105,302)	-	(105,302)	(106,064)
Other program services	726,543	-	726,543	500,851
Total program services	1,093,330	-	1,093,330	798,472
Supporting services				
Management and general	82,362	-	82,362	75,724
Fundraising	134,618	-	134,618	140,921
Total supporting services	216,980	-	216,980	216,645
Total allocations and other functional expenses	1,310,310	-	1,310,310	1,015,117
CHANGE IN NET ASSETS	91,360	(41,852)	49,508	71,995
NET ASSETS AT BEGINNING OF YEAR	197,507	712,268	909,775	837,780
NET ASSETS AT END OF YEAR	\$ 288,867	\$ 670,416	\$ 959,283	\$ 909,775

See notes to the financial statements.

UNITED WAY EMERALD COAST, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

	Program Services					Support Services		Totals		
	Public Assistance	ReadingPals	RSVP	Project HEAL	Donor Networks	Totals	Management and General	Fundraising	2023	2022
EMPLOYEE COMPENSATION										
Salaries and wages	\$ 114,377	\$ 23,017	\$ 145,008	\$ 49,136	\$ -	\$ 331,538	\$ 26,688	\$ 49,563	\$ 407,789	\$ 366,221
Employee benefits	3,674	303	7,505	5,164	-	16,646	857	1,592	19,095	23,095
Payroll taxes	7,915	1,976	11,705	3,955	-	25,551	1,847	3,430	30,828	28,748
Other personnel costs	2,856	2,303	2,570	1,175	-	8,904	666	1,238	10,808	7,730
Total employee compensation	<u>128,822</u>	<u>27,599</u>	<u>166,788</u>	<u>59,430</u>	<u>-</u>	<u>382,639</u>	<u>30,058</u>	<u>55,823</u>	<u>468,520</u>	<u>425,794</u>
OPERATING EXPENSES										
Awards and distributions to agencies	472,089	-	-	-	-	472,089	-	-	472,089	403,685
Less donor designations	(105,302)	-	-	-	-	(105,302)	-	-	(105,302)	(106,064)
Financial assistance – individuals	39,455	-	-	-	-	39,455	-	-	39,455	24,500
Special events	-	-	-	-	-	-	-	-	-	8,550
Advertising and marketing	1,112	925	7,548	20	14,431	24,036	-	4,446	28,482	14,741
Campaign	22	-	-	-	-	22	23	106	151	453
Depreciation	6,693	-	-	-	-	6,693	372	372	7,437	5,952
Dues	8,941	-	-	-	-	8,941	3,577	5,365	17,883	23,099
Insurance	12,188	-	501	-	-	12,689	1,625	2,438	16,752	23,309
Meetings and conventions	5,327	-	2,617	3,778	-	11,722	2,131	3,196	17,049	10,975
Occupancy	23,676	-	-	-	16,875	40,551	5,074	5,074	50,699	20,583
Postage and printing	3,881	-	463	-	798	5,142	1,552	2,329	9,023	11,085
Professional fees	25,126	-	-	-	-	25,126	10,050	15,075	50,251	38,125
Repairs and maintenance	13,590	-	4,517	3,826	-	21,933	2,912	2,912	27,757	20,138
Supplies	54,966	1,301	29,721	4,488	35,669	126,145	21,986	32,979	181,110	69,804
Telephone	3,123	-	4,222	-	-	7,345	1,249	1,874	10,468	9,380
Travel	4,382	-	8,310	1,412	-	14,104	1,753	2,629	18,486	11,008
Total operating expenses	<u>569,269</u>	<u>2,226</u>	<u>57,899</u>	<u>13,524</u>	<u>67,773</u>	<u>710,691</u>	<u>52,304</u>	<u>78,795</u>	<u>841,790</u>	<u>589,323</u>
TOTAL FUNCTIONAL EXPENSES	<u>\$ 698,091</u>	<u>\$ 29,825</u>	<u>\$ 224,687</u>	<u>\$ 72,954</u>	<u>\$ 67,773</u>	<u>\$ 1,093,330</u>	<u>\$ 82,362</u>	<u>\$ 134,618</u>	<u>\$ 1,310,310</u>	<u>\$ 1,015,117</u>

See notes to the financial statements.

UNITED WAY EMERALD COAST, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 49,508	\$ 71,995
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	7,437	5,952
Contributions of property and equipment	-	(6,029)
Forgiveness of PPP loan	-	(59,003)
(Increase) decrease in assets:		
Campaign pledges receivable	27,717	3,163
Other receivables	(135,815)	(19,588)
Increase (decrease) in liabilities:		
Accounts payable	35,633	15,678
Grants payable	20,000	(90,000)
Accrued liabilities	-	3,930
Deferred revenue	(6,500)	(2,921)
Refundable advances	93,470	4,131
Donor designations to other agencies	(48,735)	(762)
Net cash provided by (used in) operating activities	<u>42,715</u>	<u>(73,454)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in certificates of deposit	(108)	(114,848)
Maturity of certificates of deposit	-	263,349
Acquisition of property and equipment	(18,369)	(5,259)
Net cash provided by (used in) investing activities	<u>(18,477)</u>	<u>143,242</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	24,238	69,788
CASH AND CASH EQUIVALENTS - BEGINNING	<u>862,794</u>	<u>793,006</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 887,032</u>	<u>\$ 862,794</u>
COMPOSITION OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents - unrestricted	\$ 662,911	\$ 732,143
Cash and cash equivalents - restricted	<u>224,121</u>	<u>130,651</u>
	<u>\$ 887,032</u>	<u>\$ 862,794</u>

See notes to the financial statements.

UNITED WAY EMERALD COAST, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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. In addition, the Organization hosts social networking events for partner donor agencies through its Donor Networks program. The Organization administers a local chapter of the Retired and Senior Volunteer Program (RSVP) which supports volunteers with a focus on uniting the community and leveraging resources to improve lives. Finally, the Organization administers a health equity, advocacy and leadership program (Project HEAL), which is focused on ensuring that everyone has the opportunity to be as healthy as possible.

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.

UNITED WAY EMERALD COAST, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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

Receivables

Receivables consist primarily of pledged support to be received from annual fundraising campaigns and state of Florida contracts. Promises to give are expected to be collected within one year from the statement of net position date and are recorded at their net realizable value. Accordingly, an allowance for doubtful accounts related to the campaign pledges is calculated based on prior collection experience.

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 recognized.

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 is 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. The unspent cash balances contain donor-imposed restrictions and have therefore been reported as restricted cash in the accompanying statement of financial position.

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.

UNITED WAY EMERALD COAST, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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

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 service 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.

The expense allocation utilized during the year is as follows:

	Allocation	
	Labor	Square Footage
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.

Contributions of Nonfinancial Assets

Donated materials, equipment, and venue space are reflected as contributions in the accompanying financial statements at their estimated acquisition values on the date of receipt. Contributions of services are recognized if the services received require specialized skills, are provided by the individuals possessing these skills, and would typically need to be purchased if not provided by donation.

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 require the use of specialized skills.

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.

UNITED WAY EMERALD COAST, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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

Recently Issued Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. The guidance in this topic supersedes the requirement in Accounting Standards Codification Topic 840, *Leases*. With the exception of short-term leases, the updated guidance requires lessees to recognize a lease liability representing the lessee's obligation to make lease payments arising from a lease, measured on a discounted basis, and a right-of-use asset representing the lessee's right to use, or control the use of, a specified asset for the lease term upon adoption. Lessor accounting was largely unchanged under the new guidance, except for clarification of the definition of initial direct costs which provided additional guidance on the timing of recognition of those costs. Subsequent to the issuance of this update, the FASB issued three additional ASUs that provide codification improvements and certain transition elections. The Organization adopted the standard effective July 1, 2022; however, the Organization has no leases that fall under this guidance and thus no new lease disclosures were required.

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.

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, 2022, from which the summarized information is derived.

Subsequent Events

The Organization has evaluated events and transactions that occurred between June 30, 2023, and January 8, 2024, which is the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

UNITED WAY EMERALD COAST, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

2. CERTIFICATES OF DEPOSIT

As of June 30, 2023, the Organization held two certificates of deposit with a total carrying amount of \$114,956. The certificates of deposit bear interest at rates between 0.30% and 0.90%, with maturity dates ranging from March 2024 to April 2024.

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.

As of June 30, 2023, 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 financial position to meet general expenditures.

Financial assets at year-end:

Cash and cash equivalents	\$ 887,032
Certificates of deposit	114,956
Campaign pledges receivable, net	359,119
Other receivables	<u>187,439</u>

Total financial assets at year-end 1,548,546

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

Cash and cash equivalents – restricted	(224,121)
Receivables subject to donor-imposed restrictions	<u>(7,000)</u>

Total financial assets available to meet general expenditures over the next 12 months \$ 1,317,425

UNITED WAY EMERALD COAST, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

4. RECEIVABLES

Campaign Pledges Receivable

As of June 30, 2023, pledged campaign funds receivable were comprised of the following:

2020-21 campaign	\$ 140,086
2021-22 campaign	91,662
2022-23 campaign	452,119
2023-24 campaign	7,000
Less allowance for doubtful accounts	<u>(331,748)</u>
Total	<u><u>\$ 359,119</u></u>

Other Receivables

As of June 30, 2023, other receivables consisted of the following:

Synovus Bank claim for disputed checks	\$ 38,445
Employee retention tax credit	111,584
Publix Emergency Assistance Fund	12,255
RSVP grants	22,597
RULMD grants	2,058
FY24 event sponsorship	<u>500</u>
Total	<u><u>\$ 187,439</u></u>

5. PROPERTY AND EQUIPMENT

As of June 30, 2023, property and equipment consisted of the following:

Land	\$ 56,000
Buildings and improvements	351,361
Equipment	<u>94,439</u>
	501,800
Less accumulated depreciation	<u>(353,297)</u>
Total property and equipment, net	<u><u>\$ 148,503</u></u>

Depreciation expense was \$7,437 for the year ended June 30, 2023.

**UNITED WAY EMERALD COAST, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

6. REFUNDABLE ADVANCES

Refundable advances consisted of the following as of June 30, 2023:

Grant advance - ReadingPals	\$ 131,290
Grant advance - Ride United Transportation Access (RUTA)	13,650
Grant advance - Emergency Food and Shelter Program (EFSP)	7,135
Grant advance - Health Equity: Advocacy and Leadership	67,046
Grant advance - FY24 micro-grant	5,000
	<u>\$ 224,121</u>

7. NET ASSETS

Net Assets with Donor Restrictions

As of June 30, 2023, the Organization's net assets with donor restrictions consisted of the following:

Time restrictions (net campaign pledges expected within the next year)	\$ 826,983
Less donor designations	(56,567)
Less allowance for uncollectible pledges	<u>(100,000)</u>
Total	<u>\$ 670,416</u>

For the year ended June 30, 2023, net assets were released from donor restrictions for the following purposes:

Time restrictions (net campaign pledges received in prior periods)	\$ 933,364
Less donor designations	(105,302)
Less allowance for uncollectible pledges	(130,000)
Publix Emergency Assistance Fund	<u>14,206</u>
Total	<u>\$ 712,268</u>

8. CONTRIBUTIONS OF NONFINANCIAL ASSETS

During the year ended June 30, 2023, the Organization received contributions of services, venue space, supplies, and prize giveaways. These contributions did not have any donor-imposed restrictions. The majority of noncash contributions were used in operations for Donor Networks program events.

UNITED WAY EMERALD COAST, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

8. CONTRIBUTIONS OF NONFINANCIAL ASSETS – CONTINUED

Contributions of nonfinancial assets were comprised of the following for the year ended June 30, 2023:

Marketing and advertising	\$ 13,062
Legal and professional fees	9,925
Other specialized services	10,655
Venue space / use of property	15,480
Goods, supplies, and prize giveaways	<u>38,039</u>
Total	<u><u>\$ 87,161</u></u>

9. 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, 2023, the Organization's contributions to the SEP plan were \$5,699.

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.

10. TRANSACTIONS WITH AFFILIATED ORGANIZATIONS

The Organization remits quarterly membership dues to its global affiliate organization, United Way Worldwide. For the year ended June 30, 2023, the Organization remitted dues of \$15,490 to United Way Worldwide.

The Organization remits membership dues to its state affiliate organization, United Way of Florida, Inc. For the year ended June 30, 2023, the Organization remitted dues of \$3,612 to United Way of Florida, Inc.

UNITED WAY EMERALD COAST, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

11. EMPLOYEE RETENTION TAX CREDIT

Under the provisions of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the Organization was eligible for a refundable employee retention tax credit for 2020 and 2021 subject to certain criteria. The Company recognized a \$111,584 employee retention tax credit during the year ended June 30, 2023, which is included in other receivables in the accompanying statement of financial position. The Organization has filed for refunds of the employee retention tax credits subsequent to June 30, 2023. In September 2023, the IRS announced a moratorium on processing new claims through at least December 31, 2023, due to increased fraud concerns. The moratorium will allow the IRS to perform stricter compliance reviews for ERC claims before disbursing refunds to taxpayers. As of the date of this report, the Organization has not received a refund and cannot reasonably estimate when it will receive any or all of the remaining refunds.

12. 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, 2023, the Organization exceeded federally insured limits by \$358,097, 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 custodial credit risk.

13. COMMITMENTS AND CONTINGENCIES

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Organization expects such amount, if any, to be immaterial.