

UNITED WAY EMERALD COAST, INC.

FINANCIAL STATEMENTS

JUNE 30, 2025

UNITED WAY EMERALD COAST, INC.
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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of United Way Emerald Coast, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2025, 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 the Organization as of June 30, 2025, 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 2024 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated February 4, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Warren Averett, LLC

Fort Walton Beach, Florida
May 19, 2026

UNITED WAY EMERALD COAST, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	2025	2024
ASSETS		
Cash – unrestricted	\$ 943,587	\$ 806,190
Cash – restricted	276,159	234,406
Certificates of deposit	122,048	115,086
Investments	3,881	3,232
Campaign pledges receivable, net	202,694	233,609
Other receivables	111,584	127,026
Property and equipment, net	125,039	134,549
TOTAL ASSETS	\$ 1,784,992	\$ 1,654,098
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 10,237	\$ 34,040
Grants payable	540,000	380,000
Accrued liabilities	16,479	14,435
Deferred revenue	-	7,132
Refundable advances	248,707	224,391
Donor designations	7,144	12,646
TOTAL LIABILITIES	822,567	672,644
NET ASSETS		
Without donor restrictions	316,345	287,357
With donor restrictions	646,080	694,097
TOTAL NET ASSETS	962,425	981,454
TOTAL LIABILITIES AND NET ASSETS	\$ 1,784,992	\$ 1,654,098

See notes to the financial statements.

UNITED WAY EMERALD COAST, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2024)

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2025	2024
CAMPAIGN REVENUES				
Gross campaign contributions	\$ 7,318	\$ 710,788	\$ 718,106	\$ 857,044
Less donor designations	-	(7,144)	(7,144)	(12,646)
Less provision for uncollectible pledges	-	(75,000)	(75,000)	(90,000)
Total net campaign revenues	7,318	628,644	635,962	754,398
OTHER SUPPORT				
Grants and similar programs	246,043	-	246,043	343,443
Contributions of financial assets	447,137	17,436	464,573	71,571
Contributions of nonfinancial assets	116,030	-	116,030	72,451
Bad debt recovery	865	-	865	19,011
Interest and miscellaneous	16,325	-	16,325	2,530
Rental income	8,550	-	8,550	7,650
Total other support	834,950	17,436	852,386	516,656
Net assets released from restrictions	694,097	(694,097)	-	-
Total campaign revenues, other support and net assets released from restrictions	1,536,365	(48,017)	1,488,348	1,271,054
ALLOCATIONS AND OTHER FUNCTIONAL EXPENSES				
Program services				
Awards and distributions to agencies	618,913	-	618,913	385,344
Less donor designations	(12,646)	-	(12,646)	(22,395)
Other program services	664,992	-	664,992	684,536
Total program services	1,271,259	-	1,271,259	1,047,485
Supporting services				
Management and general	80,910	-	80,910	74,466
Fundraising	155,208	-	155,208	126,932
Total supporting services	236,118	-	236,118	201,398
Total allocations and other functional expenses	1,507,377	-	1,507,377	1,248,883
CHANGE IN NET ASSETS	28,988	(48,017)	(19,029)	22,171
NET ASSETS AT BEGINNING OF YEAR	287,357	694,097	981,454	959,283
NET ASSETS AT END OF YEAR	\$ 316,345	\$ 646,080	\$ 962,425	\$ 981,454

See notes to the financial statements.

**UNITED WAY EMERALD COAST, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2024)**

	Program Services						Support Services		Totals		
	Public Assistance	Reading Pals	RSVP	Project HEAL	Mission United	Donor Networks	Totals	Management and General	Fundraising	2025	2024
EMPLOYEE COMPENSATION											
Salaries and wages	\$ 131,399	\$ 36,185	\$ 75,972	\$ 47,845	\$ 12,872	\$ -	\$ 304,273	\$ 30,660	\$ 56,940	\$ 391,873	\$ 411,043
Employee benefits	3,834	331	4,619	2,968	125	-	11,877	895	1,662	14,434	22,578
Payroll taxes	9,867	2,768	5,978	3,608	985	-	23,206	2,302	4,275	29,783	30,252
Other personnel costs	2,862	1,310	2,052	1,061	270	-	7,555	668	1,240	9,463	11,280
Total employee compensation	147,962	40,594	88,621	55,482	14,252	-	346,911	34,525	64,117	445,553	475,153
OPERATING EXPENSES											
Awards and distributions											
to agencies	618,913	-	-	-	-	-	618,913	-	-	618,913	385,344
Less donor designations	(12,646)	-	-	-	-	-	(12,646)	-	-	(12,646)	(22,395)
Financial assistance – individuals	-	-	-	-	-	-	-	-	-	-	21,213
Advertising and marketing	6,290	2,239	1,001	1,407	634	13,382	24,953	-	25,161	50,114	32,375
Campaign	30	-	-	-	-	-	30	30	140	200	234
Depreciation	8,559	-	-	-	-	-	8,559	476	475	9,510	10,035
Dues	11,297	-	-	-	120	-	11,417	4,519	6,779	22,715	17,709
Insurance	9,475	-	559	-	-	-	10,034	1,263	1,895	13,192	16,297
Meetings and conventions	5,319	-	2,576	1,854	493	-	10,242	2,128	3,191	15,561	16,332
Occupancy	20,541	530	436	9,615	2,000	18,863	51,985	4,401	4,401	60,787	39,426
Postage and printing	3,917	200	213	-	-	956	5,286	1,567	2,351	9,204	7,772
Professional fees	30,241	-	-	6,100	-	-	36,341	12,097	18,145	66,583	40,472
Repairs and maintenance	12,149	-	2,080	808	-	-	15,037	2,604	2,604	20,245	21,160
Supplies	36,330	4,950	19,431	11,054	17,701	36,216	125,682	14,532	21,798	162,012	160,199
Telephone	2,434	-	4,313	-	-	-	6,747	974	1,461	9,182	10,099
Travel	4,484	-	6,347	937	-	-	11,768	1,794	2,690	16,252	17,458
Total operating expenses	757,333	7,919	36,956	31,775	20,948	69,417	924,348	46,385	91,091	1,061,824	773,730
TOTAL FUNCTIONAL EXPENSES	\$ 905,295	\$ 48,513	\$ 125,577	\$ 87,257	\$ 35,200	\$ 69,417	\$ 1,271,259	\$ 80,910	\$ 155,208	\$ 1,507,377	\$ 1,248,883

See notes to the financial statements.

UNITED WAY EMERALD COAST, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2024)

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (19,029)	\$ 22,171
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	9,510	10,035
Contributions of investments	-	(2,460)
Campaign pledge bad debt (recovery)	(865)	(19,011)
Gain on sale of property and equipment	-	(3,541)
(Increase) decrease in assets:		
Campaign pledges receivable	31,780	144,521
Other receivables	15,442	60,413
Increase (decrease) in liabilities:		
Accounts payable	(23,803)	(21,103)
Grants payable	160,000	-
Accrued liabilities	2,044	-
Deferred revenue	(7,132)	(368)
Refundable advances	24,316	270
Donor designations	(5,502)	(43,921)
Net cash provided by operating activities	<u>186,761</u>	<u>147,006</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Reinvested interest and investment earnings	(7,611)	(902)
Proceeds from the disposal of property and equipment	-	7,460
Net cash provided by (used in) investing activities	<u>(7,611)</u>	<u>6,558</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	179,150	153,564
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,040,596</u>	<u>887,032</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,219,746</u>	<u>\$ 1,040,596</u>
COMPOSITION OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents – unrestricted	\$ 943,587	\$ 806,190
Cash and cash equivalents – restricted	<u>276,159</u>	<u>234,406</u>
	<u>\$ 1,219,746</u>	<u>\$ 1,040,596</u>

See notes to the financial statements.

UNITED WAY EMERALD COAST, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

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.

In addition to these major programs, the Organization also conducts the following programs:

- ReadingPals – the Organization administers a local chapter of the ReadingPals program, a statewide early literacy initiative.
- Donor Networks – the Organization hosts social networking events such as Emerging Leaders and Women United for partner donor agencies.
- RSVP – the Organization directs 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. This program is partially funded by a federal grant from AmeriCorps Seniors.
- Project HEAL - the Organization administers a health equity, advocacy and leadership (HEAL) program, which is focused on ensuring that everyone has the opportunity to be as healthy as possible.
- Mission United – the Organization conducts a local chapter of the Mission United™ program, which empowers service members, veterans, first responders and their families by connecting them to the services they need while building a network that supports them.

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.

UNITED WAY EMERALD COAST, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

Cash

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.

Certificates of Deposit

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

Investments

Investments in marketable equity securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Due to the insignificance of investments, management has elected not to provide the detailed footnotes as required by FASB guidance.

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 uncollectible 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 forty 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.

UNITED WAY EMERALD COAST, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

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 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:

	<u>Allocation</u>	
	<u>Labor</u>	<u>Square Footage</u>
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 US GAAP.

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, 2025

Estimates

The preparation of financial statements in conformity with US GAAP 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 US GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2024, from which the summarized information is derived.

Subsequent Events

The Organization has evaluated events and transactions that occurred between June 30, 2025, and May 19, 2026, 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, 2025, the Organization held two certificates of deposit with a total carrying value of \$122,048. The certificates of deposit bear interest at rates between 3.90% and 4.74% per annum with maturity dates ranging from December 2025 to February 2026.

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, 2025, the table on the following page 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.

**UNITED WAY EMERALD COAST, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

Financial assets at year end:	
Cash	\$ 1,219,746
Certificates of deposit	122,048
Investments	3,881
Campaign pledges receivable, net	<u>202,694</u>
Total financial assets at year end	1,548,369
Financial assets unavailable to meet general expenditures over the next 12 months:	
Cash – restricted	<u>(276,159)</u>
Total financial assets available to meet general expenditures over the next 12 months	<u>\$ 1,272,210</u>

4. RECEIVABLES

Campaign Pledges Receivable

As of June 30, 2025, pledged campaign funds receivable were comprised of the following:

2022-23 campaign	\$ 80,989
2023-24 campaign	89,135
2024-25 campaign	277,694
Less allowance for uncollectible pledges	<u>(245,124)</u>
Total, net	<u>\$ 202,694</u>

Other Receivables

As of June 30, 2025, other receivables consisted of an employee retention tax credit due from the U.S. Treasury. See Note 11 for additional information.

**UNITED WAY EMERALD COAST, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

5. PROPERTY AND EQUIPMENT

As of June 30, 2025, property and equipment consisted of the following:

Land	\$ 56,000
Buildings and improvements	342,386
Equipment	36,432
	434,818
Less accumulated depreciation	(309,779)
Total property and equipment, net	\$ 125,039

Depreciation expense was \$9,510 for the year ended June 30, 2025.

6. REFUNDABLE ADVANCES

Refundable advances consisted of the following as of June 30, 2025:

Grant advance – ReadingPals	\$ 129,012
Grant advance – Health Equity: Advocacy and Leadership (HEAL)	119,695
	\$ 248,707

7. NET ASSETS

Net Assets with Donor Restrictions

As of June 30, 2025, the Organization's net assets with donor restrictions consisted of the following:

Time restrictions (net campaign pledges expected within the next year)	\$ 710,788
Less donor designations	(7,144)
Less provision for uncollectible pledges	(75,000)
Restricted by donor - Publix Emergency Assistance Fund	17,436
Total	\$ 646,080

UNITED WAY EMERALD COAST, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

For the year ended June 30, 2025, net assets were released from donor restrictions for the following purposes:

Time restrictions (net campaign pledges received in prior periods)	\$ 796,743
Less donor designations	(12,646)
Less provision for uncollectible pledges	<u>(90,000)</u>
Total	<u>\$ 694,097</u>

8. CONTRIBUTIONS OF NONFINANCIAL ASSETS

During the year ended June 30, 2025, the Organization received contributions of services, venue space, supplies, and prize giveaways. These contributions did not have any donor-imposed restrictions. The majority of nonfinancial contributions were used in operations for Donor Networks program events.

Contributions of nonfinancial assets were comprised of the following for the year ended June 30, 2025:

Marketing and advertising	\$ 28,765
Other specialized services	29,980
Venue space / use of property	19,610
Goods, supplies, and prize giveaways	<u>37,675</u>
Total	<u>\$ 116,030</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, 2025, the Organization's contributions to the SEP plan were \$6,683.

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, 2025, the Organization remitted dues of \$14,494 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, 2025, the Organization remitted dues of \$4,406 to United Way of Florida, Inc.

UNITED WAY EMERALD COAST, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

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 (ERC) for 2020 and 2021 subject to certain criteria. The Organization filed amended payroll tax returns for certain quarters in 2020 and 2021 to claim the ERC and recognized related revenues of \$111,584 during the year ended June 30, 2023. The expected ERC refund claim is included in other receivables in the accompanying statement of financial position.

In September 2023, the IRS announced a moratorium on processing new claims due to increased fraud concerns. The moratorium allowed the IRS to perform stricter compliance reviews for ERC claims before disbursing refunds to taxpayers. The IRS began processing new claims after the moratorium ended in 2024. As of the date of this report, the Organization has received a refund for one of its 2021 quarterly ERC claims in the amount of \$27,578. The Organization cannot reasonably estimate when it will receive any or all of the remaining refunds. The 2021 refund claims remain subject to audit by the IRS for an extended five-year period to allow the agency time to pursue improper claims. Any disallowed claims, including amounts already collected, may constitute a liability. The amount, if any, of ERC refund claims which may be disallowed cannot be determined at this time, although the Organization expects such amounts, if any, to be immaterial.

12. CONCENTRATION OF CUSTODIAL CREDIT RISK

The Organization maintains cash accounts at federally insured financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. On June 30, 2025, the Organization had bank deposits in excess of FDIC insured limits in the amount of approximately \$730,000. The Organization has not experienced any losses in such accounts and believes there is little to no exposure to any significant credit loss.

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.