

UNITED WAY EMERALD COAST, INC.

FINANCIAL STATEMENTS

JUNE 30, 2024

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 the United Way Emerald Coast, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2024, 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, 2024, 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 2023 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated January 8, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Warren Averett, LLC

Fort Walton Beach, Florida
February 4, 2025

UNITED WAY EMERALD COAST, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2023)

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents – unrestricted	\$ 806,190	\$ 662,911
Cash and cash equivalents – restricted	234,406	224,121
Certificates of deposit	115,086	114,956
Investments	3,232	-
Campaign pledges receivable, net	233,609	359,119
Other receivables	127,026	187,439
Property and equipment, net	<u>134,549</u>	<u>148,503</u>
TOTAL ASSETS	<u><u>\$ 1,654,098</u></u>	<u><u>\$ 1,697,049</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 34,040	\$ 55,143
Grants payable	380,000	380,000
Accrued liabilities	14,435	14,435
Deferred revenue	7,132	7,500
Refundable advances	224,391	224,121
Donor designations	<u>12,646</u>	<u>56,567</u>
TOTAL LIABILITIES	<u>672,644</u>	<u>737,766</u>
NET ASSETS		
Without donor restrictions	287,357	288,867
With donor restrictions	<u>694,097</u>	<u>670,416</u>
TOTAL NET ASSETS	<u>981,454</u>	<u>959,283</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,654,098</u></u>	<u><u>\$ 1,697,049</u></u>

See notes to the financial statements.

UNITED WAY EMERALD COAST, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2023)

			Totals	
	Without Donor Restrictions	With Donor Restrictions	2024	2023
CAMPAIGN REVENUES				
Gross campaign contributions	\$ 60,301	\$ 796,743	\$ 857,044	\$ 826,983
Less donor designations	-	(12,646)	(12,646)	(56,567)
Less allowance for uncollectible pledges	-	(90,000)	(90,000)	(100,000)
Total net campaign revenues	60,301	694,097	754,398	670,416
OTHER SUPPORT				
Grants and similar programs	343,443	-	343,443	480,147
Contributions of financial assets	71,571	-	71,571	77,514
Contributions of nonfinancial assets	72,451	-	72,451	87,161
Bad debt recovery	19,011	-	19,011	26,424
Interest and miscellaneous	2,530	-	2,530	10,206
Rental income	7,650	-	7,650	7,950
Total other support	516,656	-	516,656	689,402
Net assets released from restrictions	670,416	(670,416)	-	-
Total campaign revenues, other support and net assets released from restrictions	1,247,373	23,681	1,271,054	1,359,818
ALLOCATIONS AND OTHER FUNCTIONAL EXPENSES				
Program services				
Awards and distributions to agencies	385,344	-	385,344	472,089
Less donor designations	(22,395)	-	(22,395)	(105,302)
Other program services	684,536	-	684,536	726,543
Total program services	1,047,485	-	1,047,485	1,093,330
Supporting services				
Management and general	74,466	-	74,466	82,362
Fundraising	126,932	-	126,932	134,618
Total supporting services	201,398	-	201,398	216,980
Total allocations and other functional expenses	1,248,883	-	1,248,883	1,310,310
CHANGE IN NET ASSETS	(1,510)	23,681	22,171	49,508
NET ASSETS AT BEGINNING OF YEAR	288,867	670,416	959,283	909,775
NET ASSETS AT END OF YEAR	\$ 287,357	\$ 694,097	\$ 981,454	\$ 959,283

See notes to the financial statements.

UNITED WAY EMERALD COAST, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2023)

	Program Services					Support Services		Totals		
	Public Assistance	ReadingPals	RSVP	Project HEAL	Donor Networks	Totals	Management and General	Fundraising	2024	2023
EMPLOYEE COMPENSATION										
Salaries and wages	\$ 116,704	\$ 28,842	\$ 123,039	\$ 64,655	\$ -	\$ 333,240	\$ 27,231	\$ 50,572	\$ 411,043	\$ 407,789
Employee benefits	4,383	329	10,083	4,861	-	19,656	1,023	1,899	22,578	19,095
Payroll taxes	7,526	2,490	10,272	4,946	-	25,234	1,756	3,262	30,252	30,828
Other personnel costs	3,498	2,009	2,212	1,229	-	8,948	816	1,516	11,280	10,808
Total employee compensation	132,111	33,670	145,606	75,691	-	387,078	30,826	57,249	475,153	468,520
OPERATING EXPENSES										
Awards and distributions to agencies	385,344	-	-	-	-	385,344	-	-	385,344	472,089
Less donor designations	(22,395)	-	-	-	-	(22,395)	-	-	(22,395)	(105,302)
Financial assistance – individuals	21,213	-	-	-	-	21,213	-	-	21,213	39,455
Advertising and marketing	1,858	845	5,917	1,985	14,339	24,944	-	7,431	32,375	28,482
Campaign	35	-	-	-	-	35	35	164	234	151
Depreciation	9,032	-	-	-	-	9,032	502	501	10,035	7,437
Dues	8,855	-	-	-	-	8,855	3,542	5,312	17,709	17,883
Insurance	11,847	-	501	-	-	12,348	1,580	2,369	16,297	16,752
Meetings and conventions	4,979	-	2,750	3,625	-	11,354	1,991	2,987	16,332	17,049
Occupancy	16,478	695	3,550	1,100	10,541	32,364	3,531	3,531	39,426	50,699
Postage and printing	3,684	-	-	-	404	4,088	1,474	2,210	7,772	9,023
Professional fees	24,761	-	-	950	-	25,711	5,904	8,857	40,472	50,251
Repairs and maintenance	12,121	-	2,143	1,702	-	15,966	2,597	2,597	21,160	27,757
Supplies	49,844	3,355	23,620	3,158	30,378	110,355	19,938	29,906	160,199	181,110
Telephone	3,008	-	4,083	-	-	7,091	1,203	1,805	10,099	10,468
Travel	3,357	-	8,375	2,370	-	14,102	1,343	2,013	17,458	18,486
Total operating expenses	534,021	4,895	50,939	14,890	55,662	660,407	43,640	69,683	773,730	841,790
TOTAL FUNCTIONAL EXPENSES	\$ 666,132	\$ 38,565	\$ 196,545	\$ 90,581	\$ 55,662	\$ 1,047,485	\$ 74,466	\$ 126,932	\$ 1,248,883	\$ 1,310,310

See notes to the financial statements.

UNITED WAY EMERALD COAST, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2023)

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 22,171	\$ 49,508
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	10,035	7,437
Contributions of investments	(2,460)	-
Gain on sale of property and equipment	(3,541)	-
(Increase) decrease in assets:		
Campaign pledges receivable, net	125,510	27,717
Other receivables	60,413	(135,815)
Increase (decrease) in liabilities:		
Accounts payable	(21,103)	35,633
Grants payable	-	20,000
Deferred revenue	(368)	(6,500)
Refundable advances	270	93,470
Donor designations to other agencies	(43,921)	(48,735)
Net cash provided by operating activities	<u>147,006</u>	<u>42,715</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(902)	(108)
Acquisition of property and equipment	-	(18,369)
Proceeds from the disposal of property and equipment	<u>7,460</u>	<u>-</u>
Net cash provided by (used in) investing activities	<u>6,558</u>	<u>(18,477)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	153,564	24,238
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>887,032</u>	<u>862,794</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 1,040,596</u></u>	<u><u>\$ 887,032</u></u>
COMPOSITION OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents – unrestricted	\$ 806,190	\$ 662,911
Cash and cash equivalents – restricted	<u>234,406</u>	<u>224,121</u>
	<u><u>\$ 1,040,596</u></u>	<u><u>\$ 887,032</u></u>

See notes to the financial statements.

UNITED WAY EMERALD COAST, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

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, 2024

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.

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, 2024

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 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, 2024

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, 2023, from which the summarized information is derived.

Subsequent Events

The Organization has evaluated events and transactions that occurred between June 30, 2024, and February 4, 2025, 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, 2024, the Organization held two certificates of deposit with a total carrying amount of \$115,086. The certificates of deposit bear interest at rates between 4.70% and 5.45%, with maturity dates ranging from December 2024 to February 2025.

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, 2024, 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, 2024

Financial assets at year end:

Cash and cash equivalents	\$ 1,040,596
Certificates of deposit	115,086
Investments	3,232
Campaign pledges receivable, net	233,609
Other receivables	<u>127,026</u>

Total financial assets at year end 1,519,549

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

Cash and cash equivalents – restricted	(234,406)
Receivables subject to donor-imposed restrictions	<u>(2,582)</u>

Total financial assets available to meet general
expenditures over the next 12 months \$ 1,282,561

4. RECEIVABLES

Campaign Pledges Receivable

As of June 30, 2024, pledged campaign funds receivable were comprised of the following:

2021-22 campaign	\$ 91,662
2022-23 campaign	80,989
2023-24 campaign	321,027
2024-25 campaign	2,582
Less allowance for uncollectable pledges	<u>(262,651)</u>
Total, net	<u>\$ 233,609</u>

Other Receivables

As of June 30, 2024, other receivables consisted of the following:

Employee retention tax credit	\$ 111,584
RSVP grants	7,942
VITA grant	<u>7,500</u>
Total	<u>\$ 127,026</u>

UNITED WAY EMERALD COAST, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

5. PROPERTY AND EQUIPMENT

As of June 30, 2024, property and equipment consisted of the following:

Land	\$ 56,000
Buildings and improvements	342,386
Equipment	<u>36,432</u>
	434,818
Less accumulated depreciation	<u>(300,269)</u>
Total property and equipment, net	<u><u>\$ 134,549</u></u>

Depreciation expense was \$10,035 for the year ended June 30, 2024.

6. REFUNDABLE ADVANCES

Refundable advances consisted of the following as of June 30, 2024:

Grant advance – ReadingPals	\$ 132,725
Grant advance – Emergency Food and Shelter Program (EFSP)	5,201
Grant advance – Health Equity: Advocacy and Leadership (HEAL)	<u>86,465</u>
	<u><u>\$ 224,391</u></u>

7. NET ASSETS

Net Assets with Donor Restrictions

As of June 30, 2024, the Organization's net assets with donor restrictions consisted of the following:

Time restrictions (net campaign pledges expected within the next year)	\$ 796,743
Less donor designations	(12,646)
Less allowance for uncollectible pledges	<u>(90,000)</u>
Total	<u><u>\$ 694,097</u></u>

UNITED WAY EMERALD COAST, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

For the year ended June 30, 2024, net assets were released from donor restrictions for the following purposes:

Time restrictions (net campaign pledges received in prior periods)	\$ 826,983
Less donor designations	(56,567)
Less allowance for uncollectible pledges	<u>(100,000)</u>
Total	<u><u>\$ 670,416</u></u>

8. CONTRIBUTIONS OF NONFINANCIAL ASSETS

During the year ended June 30, 2024, 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.

Contributions of nonfinancial assets were comprised of the following for the year ended June 30, 2024:

Marketing and advertising	\$ 15,540
Other specialized services	41,002
Goods, supplies, and prize giveaways	<u>15,909</u>
Total	<u><u>\$ 72,451</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, 2024, the Organization's contributions to the SEP plan were \$10,122.

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, 2024, the Organization remitted dues of \$12,875 to United Way Worldwide. In addition, the Organization returned unused grant funds awarded by United Way Worldwide for Ride United Transportation Access (RUTA) in the amount of \$13,650 during the year ended June 30, 2024.

UNITED WAY EMERALD COAST, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

The Organization remits membership dues to its state affiliate organization, United Way of Florida, Inc. For the year ended June 30, 2024, the Organization remitted dues of \$4,096 to United Way of Florida, Inc.

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 not received a refund and cannot reasonably estimate when it will receive any or all 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, 2024, the Organization had bank deposits in excess of FDIC insured limits in the amount of \$363,483. 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.