

**United Way of
St. Lucie & Okeechobee, Inc.**

ANNUAL FINANCIAL REPORT

**June 30, 2025
(with summarized comparative financial information
for the year ended June 30, 2024)**

**United Way of
St. Lucie & Okeechobee, Inc.**

ANNUAL FINANCIAL REPORT

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TABLE OF CONTENTS

| | Page |
|---------------------------------------|------|
| REPORT OF INDEPENDENT AUDITORS | 1-3 |
| FINANCIAL STATEMENTS | |
| Statement of Financial Position | 4 |
| Statement of Activities | 5 |
| Statement of Cash Flows | 6 |
| Statement of Functional Expenses | 7 |
| Notes to Financial Statements | 8-18 |



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REPORT OF INDEPENDENT AUDITORS

To the Board of Directors
United Way of St. Lucie & Okeechobee, Inc.
Fort Pierce, Florida

Opinion

We have audited the accompanying financial statements of United Way of St. Lucie & Okeechobee, Inc. (the "Organization"), (a non-profit organization), which comprise the statement of financial position as of June 30, 2025 and the related statements of activities, cash flows and functional expenses for the year then ended and the related notes to financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of United Way of St. Lucie & Okeechobee, Inc. as of June 30, 2025, and the changes in its net assets and 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of St. Lucie & Okeechobee, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report on Summarized Comparative Information

We have previously audited the Organization's June 30, 2024 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 17, 2024. 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.



To the Board of Directors
United Way of St. Lucie & Okeechobee, Inc.

Responsibilities of Management for the Financial Statements

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

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

Auditor's 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 auditor's 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 GAAS 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 GAAS, 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.



Berger, Toombs, Elam,
Gaines & Frank
Certified Public Accountants PL

To the Board of Directors
United Way of St. Lucie & Okeechobee, Inc.

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.

*Berger Toombs Elam
Gaines & Frank*

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

October 15, 2025

United Way of St. Lucie & Okeechobee, Inc.
STATEMENT OF FINANCIAL POSITION
June 30, 2025
(With Comparative Totals at June 30, 2024)

| | <u>2025</u> | <u>2024</u> |
|---|---------------------|---------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 459,591 | \$ 401,110 |
| Accounts receivable | 80,017 | 66,353 |
| Contributions receivable, net of allowance | 158,952 | 176,883 |
| Interest receivable | 6,561 | 5,679 |
| Prepaid expenses | - | 500 |
| Inventory | 111,366 | 150,579 |
| Restricted assets | | |
| Cash and cash equivalents, funds held on behalf of others | 36,375 | - |
| Total Current Assets | <u>852,862</u> | <u>801,104</u> |
| Non-current assets | | |
| Investments | 2,671,926 | 2,649,095 |
| Fixed assets | | |
| Office equipment | 22,289 | 22,289 |
| Accumulated depreciation | (18,872) | (17,003) |
| Right-of-use asset, building lease, net | 75,566 | 116,784 |
| Total Non-current Assets | <u>2,750,909</u> | <u>2,771,165</u> |
| Total Assets | <u>\$ 3,603,771</u> | <u>\$ 3,572,269</u> |
| LIABILITIES AND NET ASSETS | | |
| Current liabilities | | |
| Accounts payable and accrued expenses | \$ 32,717 | \$ 25,491 |
| Designations payable | 22,269 | 21,924 |
| Allocations to member agencies | 405,587 | 498,018 |
| Funds held on behalf of others | 36,375 | - |
| Leases payable | 41,557 | 38,690 |
| Total Current Liabilities | <u>538,505</u> | <u>584,123</u> |
| Non-current Liabilities | | |
| Leases payable | 36,807 | 78,364 |
| Total Liabilities | <u>575,312</u> | <u>662,487</u> |
| Net assets | | |
| With donor restrictions | 171,209 | 189,140 |
| Without donor restrictions-board designated | | |
| Endowment | 1,725,560 | 1,664,231 |
| Disaster relief | 100,000 | 100,000 |
| Initiatives | 80,015 | 39,584 |
| Without donor restrictions | 951,675 | 916,827 |
| Total Net Assets | <u>3,028,459</u> | <u>2,909,782</u> |
| Total Liabilities and Net Assets | <u>\$ 3,603,771</u> | <u>\$ 3,572,269</u> |

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

United Way of St. Lucie & Okeechobee, Inc.
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025
(With Summarized Comparative Information for the Year Ended June 30, 2024)

| | Without Donor Restrictions | With Donor Restrictions | Totals | |
|--|-------------------------------|----------------------------|---------------------|---------------------|
| | | | 2025 | 2024 |
| Support and Revenues | | | | |
| Campaign results | | | | |
| Annual campaign | \$ 974,044 | \$ 158,952 | \$ 1,132,996 | \$ 1,012,415 |
| Less: Amounts designated to other agencies | (176,236) | - | (176,236) | (144,578) |
| Less: Provisions for uncollectable pledge losses | (121,604) | - | (121,604) | (113,464) |
| Net Campaign Revenues | <u>676,204</u> | <u>158,952</u> | <u>835,156</u> | <u>754,373</u> |
| In-kind contributions | 133,102 | - | 133,102 | 97,068 |
| Investment return | 212,699 | - | 212,699 | 259,586 |
| Contributions/grants/miscellaneous/special event income, net of \$27,556 expenses | 697,448 | - | 697,448 | 242,222 |
| Net assets released from restrictions | <u>176,883</u> | <u>(176,883)</u> | <u>-</u> | <u>-</u> |
| Total Support and Revenues | <u>1,896,336</u> | <u>(17,931)</u> | <u>1,878,405</u> | <u>1,353,249</u> |
| Expenses | | | | |
| Program Services | | | | |
| Allocations to others | 410,527 | - | 410,527 | 500,529 |
| Community services | 482,140 | - | 482,140 | 587,297 |
| Tools for schools | 84,419 | - | 84,419 | 82,892 |
| Community partnership schools | <u>596,280</u> | <u>-</u> | <u>596,280</u> | <u>111,701</u> |
| Total Program Services | <u>1,573,366</u> | <u>-</u> | <u>1,573,366</u> | <u>1,282,419</u> |
| Supporting Services | | | | |
| General and administrative | 39,293 | - | 39,293 | 53,476 |
| Fundraising | <u>147,069</u> | <u>-</u> | <u>147,069</u> | <u>177,365</u> |
| Total Supporting Services | <u>186,362</u> | <u>-</u> | <u>186,362</u> | <u>230,841</u> |
| Total Expenses | <u>1,759,728</u> | <u>-</u> | <u>1,759,728</u> | <u>1,513,260</u> |
| Change in Net Assets | 136,608 | (17,931) | 118,677 | (160,011) |
| Net Assets - July 1, 2024 | <u>2,720,642</u> | <u>189,140</u> | <u>2,909,782</u> | <u>3,069,793</u> |
| Net Assets - June 30, 2025 | <u>\$ 2,857,250</u> | <u>\$ 171,209</u> | <u>\$ 3,028,459</u> | <u>\$ 2,909,782</u> |

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

United Way of St. Lucie & Okeechobee, 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 | \$ 118,677 | \$ (160,011) |
| Adjustments to reconcile net income/(loss) to net cash provided by operating activities: | | |
| Depreciation | 1,869 | 1,869 |
| Amortization of right-of-use asset | 41,218 | 6,870 |
| Net unrealized and realized (gain)/loss on investments | (135,552) | (193,608) |
| (Increase)/decrease in assets: | | |
| Accounts receivable | (13,664) | (6,529) |
| Contributions receivable | 17,931 | 198,998 |
| Interest receivables | (882) | 1,278 |
| Inventory | 39,213 | 45,581 |
| Prepaid expenses | 500 | (500) |
| Increase/(decrease) in current liabilities: | | |
| Accounts payable and accrued expenses | 7,226 | 13,791 |
| Deferred revenues | 36,375 | (800) |
| Designations payable | 345 | (316,309) |
| Allocations to member agencies | (92,431) | (65,846) |
| Net Cash Provided/(Used) by Operating Activities | <u>20,825</u> | <u>(475,216)</u> |
| Cash Flows from Investing Activities | | |
| Purchases of marketable securities | (1,521,730) | (1,587,025) |
| Proceeds from sales of marketable securities | 1,634,451 | 1,748,786 |
| Net Cash Provided by Investing Activities | <u>112,721</u> | <u>161,761</u> |
| Cash Flows from Financing Activities | | |
| Reduction of principal on building lease | (38,690) | (6,600) |
| Net change in cash and cash equivalents | 94,856 | (320,055) |
| Cash and cash equivalents, July 1, 2024 | 401,110 | 721,165 |
| Cash and cash equivalents, June 30, 2025 | <u>\$ 495,966</u> | <u>\$ 401,110</u> |
| Supplemental disclosures of cash flow information: | | |
| School Supplies Donations | \$ 23,425 | \$ 25,134 |
| School Supplies Distributions | \$ 82,919 | \$ 70,715 |

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

United Way of St. Lucie & Okeechobee, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2025
(With Summarized Comparative Information for the Year Ended June 30, 2024)

| | Allocations To Others | Program Services | | | | Supporting Services | | | Total Expenses | |
|---|-----------------------|--------------------|-------------------|-------------------------------|------------------------|----------------------------|-------------|---------------------|----------------|--------------|
| | | Community Services | Tools for Schools | Community Partnership Schools | Total Program Services | General and Administrative | Fundraising | Supporting Services | 2025 | 2024 |
| Allocations/Distributions | \$ 515,323 | \$ - | \$ - | \$ - | \$ 515,323 | \$ - | \$ - | \$ - | \$ 515,323 | \$ 576,096 |
| Allocations to member agencies | - | - | 82,919 | - | 82,919 | - | - | - | 82,919 | 70,715 |
| Distributed school supplies | 71,440 | 14,250 | - | - | 85,690 | - | - | - | 85,690 | 69,011 |
| Special allocations to charitable organizations | (176,236) | - | - | - | (176,236) | - | - | - | (176,236) | (144,578) |
| Less donor designations | 410,527 | 14,250 | 82,919 | - | 507,696 | - | - | - | 507,696 | 571,244 |
| Total Allocations/Distributions | - | - | - | - | - | - | - | - | - | - |
| Compensation | - | 309,824 | - | 219,802 | 529,626 | 25,122 | 83,736 | 108,858 | 638,484 | 530,287 |
| Salaries | - | 23,908 | - | 16,990 | 40,898 | 1,938 | 6,461 | 8,399 | 49,297 | 40,947 |
| Payroll taxes | - | 20,579 | - | 10,941 | 31,520 | 1,669 | 5,562 | 7,231 | 38,751 | 34,888 |
| Employee benefits | - | 462 | - | - | 462 | 37 | 125 | 162 | 624 | 600 |
| Salaries - fees/leased | - | 354,773 | - | 247,733 | 602,506 | 28,766 | 95,884 | 124,650 | 727,156 | 606,722 |
| Total Compensation | - | - | - | - | - | - | - | - | - | - |
| Operations | - | - | - | - | - | - | - | - | - | - |
| Schools Partnership | - | - | - | 160,289 | 160,289 | - | - | - | 160,289 | 43,883 |
| Contractual fee | - | 7,412 | - | 121,370 | 128,782 | 215 | 3,115 | 3,330 | 132,112 | 98,579 |
| Occupancy | - | 35,163 | - | 33,102 | 68,265 | 2,851 | 9,503 | 12,354 | 80,619 | 74,560 |
| Office supplies | - | 2,442 | - | 17,203 | 19,645 | 355 | 1,144 | 1,499 | 21,144 | 13,517 |
| Insurance | - | 9,966 | - | - | 9,966 | 1,447 | 4,662 | 6,109 | 16,075 | 4,582 |
| Technology | - | 8,047 | - | 946 | 8,993 | 652 | 2,175 | 2,827 | 11,820 | 8,506 |
| Travel | - | 5,293 | - | 4,498 | 9,791 | 429 | 1,431 | 1,860 | 11,651 | 9,038 |
| Campaign expense | - | - | - | - | - | - | 11,383 | 11,383 | 11,383 | 7,594 |
| Legal and accounting | - | 3,780 | - | 2,000 | 5,780 | 420 | 4,200 | 4,620 | 10,400 | 11,550 |
| Community activities | - | 9,224 | - | - | 9,224 | 485 | - | 485 | 9,709 | 1,310 |
| Telephone | - | 4,767 | - | 2,286 | 7,053 | 387 | 1,288 | 1,675 | 8,728 | 8,040 |
| Staff development | - | 2,398 | - | 2,711 | 5,109 | 393 | 1,140 | 1,533 | 6,642 | 4,689 |
| Computer maintenance | - | 2,137 | - | 3,098 | 5,235 | 310 | 1,000 | 1,310 | 6,545 | 5,678 |
| Printing and publicity | - | 2,865 | - | 685 | 3,550 | 286 | 2,579 | 2,865 | 6,415 | 1,223 |
| Dues and subscriptions | - | 4,517 | - | 359 | 4,876 | 602 | 903 | 1,505 | 6,381 | 8,102 |
| Sponsorship fund expense | - | 2,833 | - | - | 2,833 | - | - | - | 2,833 | 58 |
| Equipment maintenance | - | 1,421 | - | - | 1,421 | 115 | 384 | 499 | 1,920 | 3,677 |
| Depreciation | - | 1,121 | - | - | 1,121 | 169 | 579 | 748 | 1,869 | 1,869 |
| Tools for schools expense | - | - | 1,500 | - | 1,500 | - | - | - | 1,500 | 12,177 |
| Bank charges and fees | - | 750 | - | - | 750 | 89 | 660 | 749 | 1,499 | 1,163 |
| Postage | - | 671 | - | - | 671 | 75 | 746 | 821 | 1,492 | 1,077 |
| Total Operations | - | 104,807 | 1,500 | 348,547 | 454,854 | 9,280 | 46,892 | 56,172 | 511,026 | 320,872 |
| United Way State and Worldwide Dues | - | 8,310 | - | - | 8,310 | 1,247 | 4,293 | 5,540 | 13,850 | 14,422 |
| Total | \$ 410,527 | \$ 482,140 | \$ 84,419 | \$ 596,280 | \$ 1,573,366 | \$ 39,293 | \$ 147,069 | \$ 186,362 | \$ 1,759,728 | \$ 1,513,260 |

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

United Way of St. Lucie & Okeechobee, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

United Way of St. Lucie & Okeechobee, Inc. (the "Organization") is a nonprofit corporation organized in Florida in 1962, and located in Ft. Pierce, Florida. In September 2021, the Organization expanded its efforts into Okeechobee County. The Organization's primary purpose is to provide leadership that improves lives and creates lasting community change by mobilizing the caring power of our communities to give, advocate, and volunteer. The major source of funding is provided by annual fundraising campaigns through businesses and individuals.

The Organization achieves its mission by bringing people together to build strong, more resilient communities where everyone can thrive. Through the Organization, communities tackle tough challenges and work with private, public, and nonprofit partners to improve the health, education, and economic mobility of every person in the community it serves.

In addition, the organization manages the following programs:

Youth United – Youth United is a United Way-sponsored initiative that brings together like-minded students ready to do more for their communities through student-centered volunteer service, cultural enrichment, and leadership development opportunities. This initiative offers unique and impactful service projects that improve the lives of children and families throughout St. Lucie County. It helps expose the next generation to United Way and its work by being a catalyst for giving back. The initiative also helps build a foundation for future opportunities in the nonprofit sector. The program objectives include teaching students how to: Develop and nurture leadership skills through teamwork, problem-solving, and compromise; Connect with community leaders across St. Lucie County; Develop a sense of philanthropic ownership in the community; Improve the community through student-led service projects; Nurture the importance of keeping youth and community connected; Gain professional experiences through network and effective decision making; Create an understanding about programs and services offered in St. Lucie County; and Learn about and implement the process of allocating funds.

Tools for Schools – Tools for Schools is a service of the United Way, a school supply resource center where teachers can shop for free learning materials for students in need. Teachers can come once a month to shop for their no-cost supplies. Supplies that are crucial to children's success in school such as backpacks, pencils, paper, and more, are kept stocked in the store. Tools for Schools St. Lucie serves St. Lucie Public Schools with an emphasis on those schools with the most students participating in the Free and Reduced Lunch Program.

Volunteer Income Tax Assistance Program (VITA) – The IRS's Free tax preparation services offer free basic tax return preparation to qualified individuals. VITA sites offer free tax help to people who need tax assistance in preparing their own tax returns. While the IRS manages the VITA program, the VITA sites are operated by the Organization and staffed with volunteers who want to make a difference in their communities.

United Way of St. Lucie & Okeechobee, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nature of Activities (Continued)

Community Partnership Schools Initiative – The Community Partnership Schools model involves the forming of a long-term partnership among four core partners - a school district, a university or college, a community-based nonprofit, and a healthcare provider, as well as others. This comprehensive model of a community school leverages the social and institutional capital of the partners, making it possible for the school to integrate health and wellness programs, community and parent outreach, enhance educational opportunities and leadership development, and empower students and families to pursue success based on the school's unique needs. The goal is to remove barriers to allow students to focus on their education. The University of Central Florida, along with community partners such as St. Lucie County School District, Indian River State College, Children's Services Council, and Cleveland Clinic, collaborated with the Organization to establish the first Community Partnership School at White City Elementary. In a later fiscal year, additional funding was made available to extend these programs to Weatherbee Elementary.

Basis of Accounting

The financial statements of the Organization have been prepared in accordance with generally accepted accounting principles. Assets and related revenues are recorded when earned, and liabilities and related expenses are recognized as incurred. For grant revenue recognition, the legal and contractual requirements of the individual programs are used as guidance.

Summarized Information

The financial statements include certain prior year summarized comparative information in total but not by asset class. Such information does not include a sufficient amount of detail to constitute a presentation in conformity with U.S. Generally Accepted Accounting Principles. 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 was derived.

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

United Way of St. Lucie & Okeechobee, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

Net Assets Without Donor Restrictions

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net Assets With Donor Restrictions

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Organization must continue to use the resources in accordance with the donor's instructions.

The Organization's unspent contributions are included in this class if the donor limited their use.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Organization, unless the donor provides more specific directions about the period of its use.

Designating to Agencies

The Organization receives contributions from donors designating the resources to specified partners and other United Way agencies. Such designated contributions are netted out of total campaign revenues and their related disbursements to the specified agencies are excluded from allocations reported in the statement of activities.

Use of Estimates

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

United Way of St. Lucie & Okeechobee, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits in banks, cash on hand, deposits in money market funds, and cash equivalents held in brokerage accounts with original maturities of less than three months. The Organization maintains its deposits in multiple financial institutions, which at times may exceed the federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to its applicable holdings.

The Organization presents restricted cash in accordance with FASB Statement ASU 2016-18, Statements of Cash Flows, which requires restricted cash to be included with cash and cash equivalents. Temporary cash held in the Organization's investment funds is classified as investments and endowment investments and is not considered to be cash for purposes of the statement of cash flows.

Inventory

Inventory, determined by the first-in, first-out method, consists of donated school supplies and purchased school supplies. Donated inventory is recorded at the estimated fair market value at the time of donation.

Contributions Receivable

Unconditional promises to give (contributions receivable) that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Conditional promises to give are not included as support until such time as the conditions are substantially met. All promises to give to the Organization for the annual campaign are expected to be collected within one year. Generally, the Organization initiates the current period campaign in July of each year and such campaign is principally utilized for payments for the subsequent fiscal years' grant obligations. Management estimates the allowances for pledge that will ultimately be uncollectible each year based on historical data.

Investments

Investments in marketable securities with readily determinable fair values are reported at their fair values in the statement of financial position. Donated investments are recorded at their fair market value on the date of donation. Unrealized gains and losses are included in the change in net assets. Investment income is reported as increases in net assets without donor restrictions unless the use of the income is limited by donor-imposed restrictions or by law.

The Organization maintains its investments at various FDIC and SPIC insured institutions. Balances maintained at certain institutions exceed the federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to its applicable holdings.

United Way of St. Lucie & Okeechobee, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fixed Assets

The United Way of St. Lucie & Okeechobee, Inc. follows the practice of capitalizing, at cost, all expenses for fixed assets in excess of \$5,000. Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Depreciation is provided using the straight-line method over estimated useful lives ranging from 3 to 10 years. Management reviews its property and equipment balances for impairment when events or changes in circumstances indicate the related carrying values may no longer be recoverable.

Revenue Recognition

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

Donated Materials and Services

Donated materials and equipment are reflected as contributions at their estimated fair values at the date of receipt. Contributions of services are recognized if the services received create or enhance non-financial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

During the current fiscal year, the Organization received in-kind advertising for the purpose of promoting various programs and special events as well as in-kind facility usage. Donated services with an estimated fair value of \$133,102 are included in contributions in the Statement of Activities.

Income Taxes

The Organization is a not-for-profit organization as described in Internal Revenue Code 501(c)(3). As such, the Organization is exempt from federal and state income taxes except on net income derived from unrelated business activities. The Organization is not considered a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(VI).

The Organization has analyzed the tax positions taken and has concluded that as of June 30, 2025, there are no material uncertain positions taken, or expected to be taken, that would require recognition of a liability or disclosure in the financial statements. The tax periods open to examination in which the Organization is subject include the fiscal years ended June 30, 2022, 2023 and 2024.

United Way of St. Lucie & Okeechobee, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising Costs

Advertising costs are generally expensed as incurred. Advertising consists primarily of public service announcements and promotional articles published on a variety of sources that are used to notify the public of events and services. Advertising expense was \$6,415 for the year ended June 30, 2025.

Functional Allocation of Expenses

The cost of providing the various programs and other activities has been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses that can be identified with a specific program or support service are allocated directly according to their natural expense classification. Other expenses that are common to several functions are allocated based on an analysis of personnel time utilized for the related activities.

Leases

The Organization determines if an arrangement is a lease, or contains a lease, at inception. Lessee arrangements recognize a lease liability and a right of use (ROU) asset in the Statement of Financial Position at the commencement date of the lease. The lease liability represents the Organization's obligation to make lease payments arising from the lessee arrangement and is initially and subsequently recognized based on the present value of future lease payments. The ROU asset represents the Organization's right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction, and is amortized on a straight-line basis over the terms of the associated leases. The lease term may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option.

Payment for short-term leases with a lease term of less than twelve months, and lease agreements below the Organization's approved threshold, are recognized as expenses as incurred. The Organization has established a \$5,000 threshold, for total lease payments, for leases subject to FASB Topic 842. Short-term leases and leases under the threshold are not included as lease liabilities or right of use assets on the Statement of Financial Position.

NOTE B – CONCENTRATIONS OF CREDIT RISK

For cash and equivalents at June 30, 2025, the Organization had a carrying value of \$459,591, \$140,162 of which was uninsured by the Federal Deposit Insurance Corporation, and \$104,602 of which were money market accounts insured by the SIPC. The money market accounts are SIPC insured up to \$250,000 for cash and \$500,000 per customer and the protection provided is only if the brokerage firm ceases doing business and not against losses from fluctuation in the value of the securities.

United Way of St. Lucie & Okeechobee, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE C – ALLOCATIONS PAYABLE TO MEMBER AGENCIES

United Way of St. Lucie & Okeechobee, Inc. awards grants to funded partners on an annual basis at the option of the governing board. The grant amounts awarded and payable to agencies as of June 30, 2025 are supported by 2024-2025 campaign revenues. The amounts awarded and payable to agencies as of June 30, 2025 are as follows:

| | |
|---------------------------------------|-------------------|
| 211 Palm Beach Treasure Coast | \$ 10,000 |
| Alzheimer's Community Care | 15,000 |
| Arc of St. Lucie County | 18,567 |
| Council on Aging of St. Lucie, Inc. | 10,000 |
| Early Learning Coalition - St. Lucie | 6,500 |
| FLDOH | 55,000 |
| Grace Way Village | 16,800 |
| Healthy Start Coalition of SLC | 15,000 |
| Helping People Succeed | 40,000 |
| Inner Truth Project | 15,000 |
| Life Builders of the Treasure Coast | 15,000 |
| Light of the World Charities | 9,000 |
| Mustard Seed Ministries | 115,120 |
| Okeechobee Education Foundation | 8,100 |
| Okeechobee Healthy Start | 5,000 |
| Real Life Children's Ranch Okeechobee | 5,000 |
| Roundtable of SLC | 2,500 |
| Salvation Army | 14,000 |
| United Against Poverty | 14,000 |
| United Against Poverty - SLC | 16,000 |
| Total | <u>\$ 405,587</u> |

NOTE D – PROMISES TO GIVE RECEIVABLE

Unconditional promises to give as of June 30, 2025 are as follows:

| | |
|---|-------------------|
| Campaign pledges: | |
| Receivable, due within one year | \$ 280,556 |
| Less allowance for uncollectible promises | <u>(121,604)</u> |
| Total | <u>\$ 158,952</u> |

United Way of St. Lucie & Okeechobee, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE E – FAIR VALUE MEASUREMENTS

Generally accepted accounting principles establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is available and significant to the fair value measurement. The three levels of inputs that may be used to measure value are as follows:

- Level 1 – Quoted prices for identical assets or liabilities in active markets to which the Organization has access at the measurement date.
- Level 2 – Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – Inputs that are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability.

Fair values of assets measured on a recurring basis as of June 30, 2025, include:

| | Fair Value | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|-------------------------------|---------------------|--|---|--|
| Cash and cash equivalents | \$ 495,966 | \$ 495,966 | \$ - | \$ - |
| Investments | 2,671,926 | 2,671,926 | - | - |
| Contributions receivable, net | 158,952 | - | - | 158,952 |
| Totals | <u>\$ 3,326,844</u> | <u>\$ 3,167,892</u> | <u>\$ -</u> | <u>\$ 158,952</u> |

United Way of St. Lucie & Okeechobee, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE F – INVESTMENTS

The components of total investment return for the years ending June 30, 2025 are as follows:

| | |
|--|--------------------------|
| Interest and dividend earnings | \$ 90,950 |
| Investment fees and expenses | (13,803) |
| Net realized/unrealized gain/(loss) on investments | <u>135,552</u> |
| Total Investment Return | <u><u>\$ 212,699</u></u> |

Investments consisted of the following as of June 30, 2025:

| | Cost | Fair Market Value | Net Unrealized Gains (Losses) |
|-------------------|----------------------------|----------------------------|----------------------------------|
| Equity Securities | \$ 1,426,779 | \$ 1,631,626 | \$ 204,847 |
| Mutual Funds | <u>1,042,972</u> | <u>1,040,300</u> | <u>(2,672)</u> |
| Total | <u><u>\$ 2,469,751</u></u> | <u><u>\$ 2,671,926</u></u> | <u><u>\$ 202,175</u></u> |

NOTE G – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2025 are:

| | |
|---|----------------------------|
| Cash and equivalents | \$ 495,966 |
| Investments | 2,671,926 |
| Receivables, net | 245,530 |
| Less: amounts with donor restrictions | (171,209) |
| Less: board designated amounts | <u>(1,905,575)</u> |
| Total financial assets available for general expenditure | <u><u>\$ 1,336,638</u></u> |

NOTE H – BOARD DESIGNATED ENDOWMENTS

The Organization has classified a substantial portion of its investments as Board Designated endowments. The endowments are invested to generate income to be used to support specific programs. Net assets associated with the endowment funds are classified and reported as net assets without donor restrictions – board designated.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization's general spending policy is to consider expected rates of return on investments, restrictions on principal, requirements to support special projects, maintenance of prudent reserves, tax code requirements, and allowances for market and economic uncertainties, as applicable. Transfers to operating accounts from the Board Designated endowment funds earnings require appropriation by the Board.

United Way of St. Lucie & Okeechobee, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE I – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at year-end consisted of the following:

| | |
|------------------------------|-------------------|
| Time Restriction | |
| Contributions Receivable | \$ 158,952 |
| Purpose Restriction | |
| Cleveland Clinic Initiatives | 3,000 |
| Disaster relief | 4,908 |
| Born Learning Trail | 4,349 |
| Donor Restricted Net Assets | <u>\$ 171,209</u> |

NOTE J – NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets released from donor restrictions during the fiscal year ended June 30, 2025 are as follows:

| | |
|-------------------------------------|-------------------|
| Prior year contributions receivable | <u>\$ 176,883</u> |
|-------------------------------------|-------------------|

NOTE K – FUNDS HELD FOR OTHERS

The Organization holds funds on behalf of St. Lucie Disaster Recovery Coalition, which are not available for its own use. These funds are recorded as a liability and are matched by an equivalent amount of restricted cash. The Organization does not have power over these funds and acts solely as a fiscal agent. As of June 30, 2025, the total amount held was \$36,375.

NOTE L – LEASES

The Organization has obligations as a lessee for the Fort Pierce Office Building with an initial noncancelable term of three years. The Organization has classified this lease as an operating lease. Payments due under the lease arrangement are comprised of monthly fixed payments with an agreed upon annual increase of the fixed amount.

Fort Pierce Office Building

In April 2024, the Organization entered into an agreement to lease building space with 36 monthly payments. The lease liability was measured at a discount rate of 3%, which is the Organization's incremental borrowing rate. As a result of the lease, the Organization reported a right of use asset with a net book value of \$75,566 at June 30, 2025.

United Way of St. Lucie & Okeechobee, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE L – LEASES (CONTINUED)

The lease cost for the year ended June 30, 2025 are as follows:

| | |
|----------------------|------------------|
| Operating Lease Cost | <u>\$ 82,894</u> |
|----------------------|------------------|

Supplemental cash flow information related to leases was as follows:

Cash paid for amounts included in the measurement of lease liabilities:

| | |
|--|------------------|
| Operating cash flows from operating leases | <u>\$ 38,690</u> |
|--|------------------|

Supplemental balance sheet information related to leases was as follows:

| | |
|-------------------------------------|------------------|
| Operating Lease Right of Use Assets | <u>\$ 75,566</u> |
| Operating Lease Liabilities | <u>\$ 78,364</u> |

Future minimum payments of lease liabilities under noncancellable operating leases as of June 30, 2025, were as follows:

| <u>Year Ending June 30,</u> | <u>Total</u> |
|-------------------------------------|------------------|
| 2026 | \$ 43,343 |
| 2027 | 37,315 |
| Less: amount representing interest | (2,294) |
| Lease Liability as of June 30, 2025 | <u>\$ 78,364</u> |

As of June 30, 2025, the weighted-average remaining lease term for the operating lease is 1.83. As the discount rate was not indicated on the lease agreements, the Organization utilized the incremental borrowing rate as the discount rate. The weighted-average discount rate associated with the operating lease is 3%.

NOTE M – RETIREMENT PLAN

The Organization has adopted a simplified employee pension retirement plan covering all employees who have met certain service requirements. For the fiscal year, the Organization contributed 5% of each covered employee's compensation. The retirement plan expense for the year ended June 30, 2025 was \$35,475.

NOTE N – DATE OF MANAGEMENT REVIEW

In preparing the financial statements, Management has evaluated events and transactions for potential recognition or disclosure through October 15, 2025, the date that the financial statements were available to be issued.