

**UNITED WAY OF**  
**COLLIER COUNTY, INC.**

FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2020 AND 2019

UNITED WAY OF COLLIER COUNTY, INC.

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# ROGERS WOOD HILL STARMAN & GUSTASON

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### INDEPENDENT AUDITOR'S REPORT

Board of Directors  
United Way of Collier County, Inc.  
Naples, Florida

We have audited the accompanying financial statements of United Way of Collier County, Inc. (a nonprofit organization), which comprise the statements of financial position as of March 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Collier County, Inc., as of March 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Emphasis of Matter**

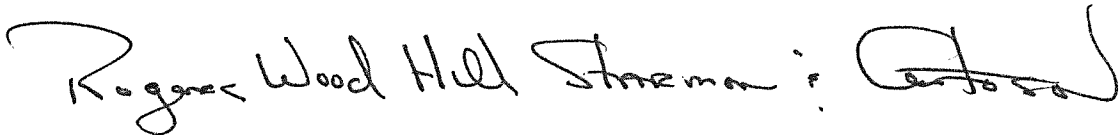
As discussed in Note 19 to the financial statements, the Organization merged with the United Way of the Florida Keys, Inc. effective April 1, 2020. Our opinion is not modified with respect to that matter.

United Way of Collier County, Inc.  
Naples, Florida

INDEPENDENT AUDITOR'S REPORT (continued)

**Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Annual Grants Paid and United Way Programs for the years ended March 31, 2020 and 2019 is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "Rogers Wood Hill Starman & Gustason". The signature is written in a cursive, flowing style.

ROGERS WOOD HILL STARMAN & GUSTASON, P.A.  
Certified Public Accountants & Advisors  
Naples, Florida  
October 13, 2020

**UNITED WAY OF COLLIER COUNTY, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**MARCH 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b><u>ASSETS</u></b>		
Cash and cash equivalents	\$ 5,644,595	\$ 3,283,786
Pledges receivable, net	613,254	511,450
Grant receivable	53,133	195,508
Prepaid expenses and other assets	19,128	38,275
Investments - Board designated	2,571,379	2,849,459
Investments - restricted	-	33,000
Property and equipment, net	<u>800,457</u>	<u>836,081</u>
Total assets	<u><u>\$ 9,701,946</u></u>	<u><u>\$ 7,747,559</u></u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Accounts payable and accrued expenses	\$ 1,252,306	\$ 1,033,793
Contract liability (grant funds received in advance)	2,800,000	-
Funds held for other entities	1,271,814	2,092,900
Note payable	<u>218,498</u>	<u>265,054</u>
Total liabilities	<u>5,542,618</u>	<u>3,391,747</u>
Net assets		
Without donor restrictions		
Investment in property and equipment	581,959	571,027
Board designated funds	2,893,003	2,974,308
Undesignated funds	<u>(186,704)</u>	<u>477,491</u>
Total unrestricted net assets	<u>3,288,258</u>	<u>4,022,826</u>
With donor restrictions		
Purpose restrictions	871,070	299,986
Perpetual in nature	-	33,000
Total restricted net assets	<u>871,070</u>	<u>332,986</u>
Total net assets	<u>4,159,328</u>	<u>4,355,812</u>
Total liabilities and net assets	<u><u>\$ 9,701,946</u></u>	<u><u>\$ 7,747,559</u></u>

**UNITED WAY OF COLLIER COUNTY, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED MARCH 31, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues:			
Campaign revenue	\$ 2,050,413	\$ -	\$ 2,050,413
Less: provision for uncollectible pledges	<u>(286,089)</u>	<u>-</u>	<u>(286,089)</u>
Net campaign revenue	1,764,324	-	1,764,324
Grant income	581,791	-	581,791
UAE contributions	-	625,000	625,000
Program revenue	16,147	-	16,147
Hurricane Irma revenue	-	14,980	14,980
Collier 211	1,600	-	1,600
VITA	-	15,000	15,000
Special events - net	(26,401)	-	(26,401)
Investment return - net	(147,092)	459	(146,633)
Bequest received	65,787	-	65,787
Other income	4,443	-	4,443
Total revenues	<u>2,260,599</u>	<u>655,439</u>	<u>2,916,038</u>
Net assets released from restrictions	<u>117,355</u>	<u>(117,355)</u>	<u>-</u>
Total revenues and net assets released from restrictions	<u>2,377,954</u>	<u>538,084</u>	<u>2,916,038</u>
Expenses:			
Program services	2,498,364	-	2,498,364
Administrative and general	297,710	-	297,710
Fundraising	<u>316,448</u>	<u>-</u>	<u>316,448</u>
Total expenses	<u>3,112,522</u>	<u>-</u>	<u>3,112,522</u>
Increase/(decrease) in net assets	(734,568)	538,084	(196,484)
NET ASSETS - Beginning of year	<u>4,022,826</u>	<u>332,986</u>	<u>4,355,812</u>
NET ASSETS - End of year	<u>\$ 3,288,258</u>	<u>\$ 871,070</u>	<u>\$ 4,159,328</u>

**UNITED WAY OF COLLIER COUNTY, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED MARCH 31, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues:			
Campaign revenue	\$ 1,725,424	\$ -	\$ 1,725,424
Less: provision for uncollectible pledges	<u>(291,900)</u>	<u>-</u>	<u>(291,900)</u>
Net campaign revenue	1,433,524	-	1,433,524
Grant income	859,557	-	859,557
Hurricane Irma revenue	8,960	114,722	123,682
Collier 211	6,892	-	6,892
VITA	10,400	-	10,400
Special events - net	24,248	-	24,248
Investment return - net	76,852	2,124	78,976
Bequest received	606	-	606
Rental income	9,839	-	9,839
Other income	19,821	-	19,821
Total revenues	<u>2,450,699</u>	<u>116,846</u>	<u>2,567,545</u>
Net assets released from restrictions	<u>17,075</u>	<u>(17,075)</u>	<u>-</u>
Total revenues and net assets released from restrictions	<u>2,467,774</u>	<u>99,771</u>	<u>2,567,545</u>
Expenses:			
Program services	1,990,776	-	1,990,776
Administrative and general	247,485	-	247,485
Fundraising	<u>428,998</u>	<u>-</u>	<u>428,998</u>
Total expenses	<u>2,667,259</u>	<u>-</u>	<u>2,667,259</u>
Increase/(decrease) in net assets	(199,485)	99,771	(99,714)
NET ASSETS - Beginning of year	<u>4,222,311</u>	<u>233,215</u>	<u>4,455,526</u>
NET ASSETS - End of year	<u>\$ 4,022,826</u>	<u>\$ 332,986</u>	<u>\$ 4,355,812</u>

**UNITED WAY OF COLLIER COUNTY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED MARCH 31, 2020**

	PROGRAM SERVICES	SUPPORTING SERVICES		TOTAL
		ADMINISTRATIVE & GENERAL	FUND RAISING	
Total grants and awards	\$ 1,137,139	\$ -	\$ -	\$ 1,137,139
Wages and benefits	568,211	176,341	235,122	979,674
Audit and professional fees	97,936	13,991	27,982	139,909
Bank fees	2,112	302	603	3,017
Interest expense	7,161	1,024	2,046	10,231
Campaign, promotion and volunteerism	60,928	-	-	60,928
Collier 211	28,311	-	-	28,311
Information technology and communications	41,168	5,882	11,762	58,812
Contract services	542	4,338	542	5,422
Convention and merger expenses	4,250	34,000	4,250	42,500
Depreciation	31,765	4,538	9,076	45,379
Dues - national and state	3,312	473	946	4,731
Dues and subscriptions	27,976	3,997	7,993	39,966
Insurance	5,536	790	1,582	7,908
Office supplies and expense	3,137	449	896	4,482
Printing and postage	1,630	233	466	2,329
Rent and other occupancy costs	38,681	5,525	11,052	55,258
VITA	905	-	-	905
Volunteer Collier	5,201	-	-	5,201
DCMP	374,101	41,567	-	415,668
Dolly Parton	12,264	-	-	12,264
Miscellaneous expenses	2,130	4,260	2,130	8,520
Hurricane Irma expenses	43,968	-	-	43,968
<b>Total</b>	<b>\$ 2,498,364</b>	<b>\$ 297,710</b>	<b>\$ 316,448</b>	<b>\$ 3,112,522</b>



**UNITED WAY OF COLLIER COUNTY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED MARCH 31, 2019**

	PROGRAM SERVICES	SUPPORTING SERVICES		TOTAL
		ADMINISTRATIVE & GENERAL	FUND RAISING	
Total grants and awards	\$ 770,645	\$ -	\$ -	\$ 770,645
Wages and benefits	377,049	209,473	251,368	837,890
Audit and professional fees	80,282	8,805	17,609	106,696
Bank fees	2,094	299	598	2,991
Interest expense	8,143	1,163	2,326	11,632
Campaign, promotion and volunteerism Collier 211	- 28,865	- -	100,422 -	100,422 28,865
Information technology and communications	47,469	6,781	13,563	67,813
Contract services	24,488	3,498	6,996	34,982
Convention and meeting expense	20,672	2,953	5,907	29,532
Depreciation	28,824	4,118	8,235	41,177
Dues - national and state	20,772	2,967	5,935	29,674
Dues and subscriptions	1,563	223	446	2,232
Insurance	5,549	793	1,586	7,928
Office supplies and expense	6,433	919	1,838	9,190
Printing and postage	-	-	1,184	1,184
Rent and other occupancy costs	35,536	5,077	10,153	50,766
VITA	1,595	-	-	1,595
Volunteer Collier	19,170	-	-	19,170
Loss on disposal of assets	1,170	-	-	1,170
Miscellaneous expenses	16,854	416	832	18,102
Disaster relief costs	378,468	-	-	378,468
Hurricane Irma expenses	115,135	-	-	115,135
<b>Total</b>	<b>\$ 1,990,776</b>	<b>\$ 247,485</b>	<b>\$ 428,998</b>	<b>\$ 2,667,259</b>

**UNITED WAY OF COLLIER COUNTY, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED MARCH 31, 2020 AND 2019**

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from contributions	\$ 1,899,298	\$ 2,001,467
Cash received from UAE stewardship agreement	3,500,000	2,368,000
Cash received from grants	724,166	664,049
Rental payments received	-	9,839
Special events	(26,401)	24,248
Funds paid out for UAE stewardship	(756,086)	(415,100)
Other grants paid	(1,687,273)	(1,376,468)
Cash paid to suppliers and employees	(1,466,359)	(1,398,988)
Investment income reinvested	-	(620)
Net cash provided by operating activities	2,187,345	1,876,427
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of investments	2,089,084	1,114,705
Purchase of investments	(2,019,873)	(1,169,835)
Purchase of property and equipment	(9,755)	(20,466)
Net cash provided/(used) by investing activities	59,456	(75,596)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principal payments on note payable	(46,556)	(44,306)
Cash received from bequests and trusts	65,787	606
Cash received from endowment	33,000	1,813
Interest and dividends reinvested as designated	61,777	66,948
Net cash provided by financing activities	114,008	25,061
<b>NET INCREASE IN CASH</b>	2,360,809	1,825,892
<b>CASH - Beginning of year</b>	3,283,786	1,457,894
<b>CASH - End of year</b>	<b>\$ 5,644,595</b>	<b>\$ 3,283,786</b>
<b>RECONCILIATION OF DECREASE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Decrease in net assets	\$ (196,484)	\$ (99,714)
Bequests designated by Board of Directors	(65,787)	(606)
Interest and dividends designated by Board of Directors	(61,777)	(66,948)
Income on restricted funds	-	(1,813)
Depreciation	45,379	41,177
Loss on disposal of property and equipment	-	1,170
Realized gains on sale of investments	(15,924)	(27,541)
Unrealized losses on investments	224,793	2,738
Changes in assets and liabilities:		
Pledges receivable, net	(101,804)	435,284
Grants receivable	142,375	(195,508)
Prepaid expenses and other assets	19,147	(12,264)
Accounts payable and accrued expenses	218,513	(122,825)
Contract liability	2,800,000	-
Funds held for other entities	(821,086)	1,924,764
Security deposit	-	(1,487)
Net cash provided by operating activities	<b>\$ 2,187,345</b>	<b>\$ 1,876,427</b>

# UNITED WAY OF COLLIER COUNTY, INC.

## NOTES TO FINANCIAL STATEMENTS - MARCH 31, 2020 AND 2019

### NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

#### Nature of Activities

The United Way of Collier County, Inc. ("UWCC"), a not-for-profit organization, is committed to investing in and working to create a community where all individuals and families have an opportunity to thrive. UWCC's mission is to make the invisible visible by shining a light on the true number of families struggling in Collier County. UWCC aims to empower those in the community struggling to make ends meet, living from paycheck to paycheck by giving these individuals/ families the tools needed to regain economic stability. UWCC also aims to accomplish this by focusing on programs that focus on improving education, economic stability, health and safety net services. UWCC envisions the Collier County community as a place where all individuals and families achieve their full potential.

Funds raised are used to invest within local programs vetted through UWCC's Agency Allocations process. Grants to agencies are based on evaluations and recommendations made by independent panels comprised of area business professionals and other community leaders.

UWCC works to improve the life of every person within the community. UWCC connects the community with a wide variety of resources by collaborating with leading community partners to distribute resources and support to Collier County, including times of crisis.

UWCC has developed its own internal programs to help directly support Collier residents and partner agencies and invest in the community. Volunteer Collier serves as a platform for the community to match groups and individual volunteers with local not-for-profit agencies to create volunteer experiences throughout Collier County. VITA (Volunteer Income Tax Assistance) provides free tax preparation service to Collier residents. Collier 211, a 24 hour a day, 7 days a week, human services help line provides information and referrals to anyone in Collier County.

With data collected through Collier 211, United Way of Collier County is in position to identify and understand existing gaps in service. Immediately following Hurricane Irma, UWCC sought to collaborate with both partner and non-partner agencies in the community to address evolving gaps in services. UWCC assisted Collier residents with their recovery efforts.

#### Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

#### Financial Statements

The financial statements and notes are a representation of UWCC's management who is responsible for their integrity and objectivity. The accounting policies conform to the basis of accounting defined above and have been consistently applied in the preparation of the financial statements.

#### Contributions and Promises to Give

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received with donor restrictions that limit the use of donated assets are treated as net assets with donor restrictions. When the restriction is met, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

#### Allowance for Doubtful Accounts

UWCC uses the allowance method to determine uncollectible unconditional promises or pledges receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

#### Property and Equipment

UWCC capitalizes all expenditures for property, equipment and leasehold improvements in excess of \$1,000 and uses the straight-line method of depreciation calculated over the estimated useful lives of the assets, ranging from 5-39 years. Purchased property and equipment are stated at historical cost.

## UNITED WAY OF COLLIER COUNTY, INC.

### NOTES TO FINANCIAL STATEMENTS - MARCH 31, 2020 AND 2019

#### NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Donated Services

A substantial number of volunteers have donated time to UWCC's annual fundraising campaign; however, these donated services are not recognized in the financial statements because the criteria for recognition of such volunteer efforts under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, have not been satisfied.

##### Cash and Cash Equivalents

UWCC considers as cash and cash equivalents all highly liquid investments with an initial maturity of three months or less.

##### Investments

Investments are carried at fair value based on quoted market prices.

##### Functional Expenses

The costs of programs and supporting services have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include wages and benefits, which are allocated on the basis of estimates of time and effort spent on each function.

##### Income Taxes

UWCC is a qualified tax exempt organization under Code Section 501(c)(3) of the Internal Revenue Code and is exempt from income taxes, except on net income derived from unrelated business activities. The Organization has no revenues derived from unrelated business activities; accordingly, no provision for income taxes has been made. The Organization follows the income tax standard for uncertain tax positions and, as a result, has evaluated its tax positions and determined it has no uncertain tax positions as of March 31, 2020.

##### Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

##### Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

##### Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve to be used as they deem necessary, which can include emergency allocations, supplemental allocations or venture grants.

*Net Assets With Donor Restrictions* - Net assets subject to donor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulated that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**UNITED WAY OF COLLIER COUNTY, INC.**

**NOTES TO FINANCIAL STATEMENTS - MARCH 31, 2020 AND 2019**

**NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Change in Accounting Principle**

The Organization has adopted Accounting Standards Update (ASU) No. 2014-09 - Revenue from Contracts with Customers (Topic 606), with retrospective application to the prior periods. There were no required changes to the prior year financial statements.

**NOTE 2 - LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$ 4,451,902
Pledges receivable, net	613,254
Grant receivable	53,133
Less: cash held for other entities	(1,271,814)
cash held for future reef project	(2,800,000)
	<u>\$ 1,046,475</u>

Although the Organization does not intend to spend funds from board-designated cash or investments totaling \$2,893,003, these amounts could be made available to fund operations, if necessary.

**NOTE 3 - INVESTMENTS-BOARD DESIGNATED**

Investments-Board designated, at fair value, consist of the following:

	<u>2020</u>		<u>2019</u>	
	<u>Cost</u>	<u>Fair Market Value</u>	<u>Cost</u>	<u>Fair Market Value</u>
Board-designated Investment Account				
Equity securities	\$ 474,687	\$ 467,885	\$ 198,201	\$ 233,790
Mutual funds	2,118,593	2,103,494	2,448,366	2,615,669
Total	<u>\$ 2,593,280</u>	<u>\$ 2,571,379</u>	<u>\$ 2,646,567</u>	<u>\$ 2,849,459</u>

All investments listed above have been designated by the Board for future operations (See Note 9). Investment fees associated with managing the account for the years ended March 31, 2020 and 2019 were \$14,983 and \$13,968, respectively. Investment fees are netted against investment income in the statement of activities.

**UNITED WAY OF COLLIER COUNTY, INC.**

**NOTES TO FINANCIAL STATEMENTS - MARCH 31, 2020 AND 2019**

**NOTE 4 - PLEDGES RECEIVABLE, NET**

Unconditional promises to give consist of the following:

	<u>2020</u>	<u>2019</u>
Campaign pledges	\$ 1,131,096	\$ 1,078,830
Less: allowance for uncollectible pledges	(506,142)	(515,800)
Less: allowance for designations and fees	(11,700)	(51,580)
Pledges receivable, net	<u>\$ 613,254</u>	<u>\$ 511,450</u>

**NOTE 5 - PROPERTY AND EQUIPMENT, NET**

Property and equipment consist of the following:

	<u>2020</u>	<u>2019</u>
Building	\$ 899,005	\$ 899,005
Furniture and fixtures	114,516	104,762
	1,013,521	1,003,767
Less accumulated depreciation	(213,064)	(167,686)
Total	<u>\$ 800,457</u>	<u>\$ 836,081</u>

Depreciation expense for 2020 and 2019 was \$45,379 and \$41,177, respectively.

**NOTE 6 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

Accounts payable and accrued expenses consist of the following:

	<u>2020</u>	<u>2019</u>
Agency allocations	\$ 1,045,587	\$ 815,000
Accounts payable and accrued expenses	206,719	218,793
	<u>\$ 1,252,306</u>	<u>\$ 1,033,793</u>

Agency funding agreements that went into effect January 1, 2015, contain language which constitute a legally binding commitment to fund partner agencies, whereas past funding agreements were not legally binding. Consequently, accounts payable and grants and awards expense, for fiscal year 2020 and 2019 funding, reflect all approved quarterly agency allocations that had not yet been paid as of March 31, 2020 and 2019.

Grants and awards payable to more than twenty partner agencies ranged from \$5,000 to \$122,000 during 2020.

**NOTE 7 - STEWARDSHIP AGREEMENT**

During the year ended March 31, 2019, UWCC entered into an agreement with the Embassy of The United Arab Emirates (UAE) to act as steward and administrator of grant funds that UAE committed to provide to Grace Place for Children and Families, Inc. (Grace Place) and to The School Board of Collier County (The School Board). Under the terms of the two construction grant agreements, UWCC agreed to receive \$1,280,000 to benefit Grace Place and \$1,088,000 to benefit The School Board.

**UNITED WAY OF COLLIER COUNTY, INC.**

**NOTES TO FINANCIAL STATEMENTS - MARCH 31, 2020 AND 2019**

**NOTE 7 - STEWARDSHIP AGREEMENT (CONTINUED)**

In the year ended March 31, 2020, UWCC entered into an additional agreement with UAE for restoration of damage caused by Hurricane Irma in the Florida Keys. UAE granted \$3,500,000 to be used solely for reef restoration. Under the terms of the agreement, UWCC had discretionary authority to expend funds for specific purposes totaling \$625,000. Those funds have been recorded in 2020 as donor restricted contributions. In addition, UWCC received \$2,800,000 to be expended for the first phase of an existing coral restoration project. UWCC has authority to subcontract with others to complete the work. These funds have been recorded as deferred grant revenue and are reflected in the statement of financial position as "Contract liability-grant funds received in advance". Revenue from this grant will be recognized as funds are expended in future years. Lastly, \$75,000 was received from UAE to co-sponsor an upcoming reef restoration conference. UWCC does not have discretionary authority over these funds. The funds are reflected in the statement of financial position at March 31, 2020 as "Funds held for other entities."

Transactions for the years ended March 31, 2020 and 2019 were as follows:

Cash received from UAE as of March 31, 2020:

Reef Restoration	\$ 3,500,000
Less: Donor restricted contributions recognized by UWCC	(625,000)
Less: Contract liability (grant funds received in advance)	(2,800,000)
Net UAE funds held by UWCC for conference sponsorship	<u>75,000</u>

Cash received from UAE during 2019:

Grace Place	1,280,000
Collier County School Board	<u>1,088,000</u>
Total UAE funds received by UWCC for other entities in 2019	2,368,000
Payments to Grace Place in 2019	(415,100)
Payments to Grace Place in 2020	(674,086)
Payments to Collier County School Board in 2020	<u>(82,000)</u>
Remaining Grace Place and School Board funds	<u>1,196,814</u>
Funds held for other entities as of March 31, 2020	<u>\$ 1,271,814</u>

In the year ended March 31, 2019, as part of the combined grant agreement, UWCC received \$350,000 from UAE to be used for oversight and administration of the grant and to directly fund programs and services that will impact its ALICE population that it serves. Those funds were recorded as contribution revenue in 2019.

**NOTE 8 - NOTE PAYABLE**

Note payable consists of the following:

	<u>2020</u>	<u>2019</u>
Note payable to a financial institution, interest at 4%, matures June 15, 2024. Principal and interest payments due monthly. Secured by mortgage interest against real property.	<u>\$ 218,498</u>	<u>\$ 265,054</u>

**UNITED WAY OF COLLIER COUNTY, INC.**

**NOTES TO FINANCIAL STATEMENTS - MARCH 31, 2020 AND 2019**

**NOTE 8 - NOTE PAYABLE (CONTINUED)**

Future maturities of note payable is as follows:

<u>Year ending March 31,</u>	
2021	\$ 47,819
2022	49,795
2023	51,852
2024	69,032
	<u>\$ 218,498</u>

**NOTE 9 - NET ASSETS WITHOUT DONOR RESTRICTIONS**

The Board of Directors has designated funds to be used in the future as they deem necessary, which could include emergency allocations, supplemental allocations or venture grants. Additionally, the Board of Directors has designated that all contributions received from bequests be invested separately for the long-term plans of the Organization. Investment earnings in these funds are re-invested as designated funds.

Changes in net assets without donor restrictions are as follows:

	<u>Investment in Property &amp; Equipment</u>	<u>Designated</u>	<u>Undesignated</u>
Balance March 31, 2018	\$ 548,602	\$ 2,996,230	\$ 677,479
Increase/(decrease) in net assets	<u>22,425</u>	<u>(21,922)</u>	<u>(199,988)</u>
Balance March 31, 2019	571,027	2,974,308	477,491
Increase/(decrease) in net assets	10,932	(81,305)	(664,195)
Transfer of funds	-	-	-
Balance March 31, 2020	<u>\$ 581,959</u>	<u>\$ 2,893,003</u>	<u>\$ (186,704)</u>



**UNITED WAY OF COLLIER COUNTY, INC.**

**NOTES TO FINANCIAL STATEMENTS - MARCH 31, 2020 AND 2019**

**NOTE 9 - NET ASSETS WITHOUT DONOR RESTRICTIONS (CONTINUED)**

Funds without donor restrictions consist of the following:

	2020		
	Investment in Property & Equipment	Designated	Undesignated
Cash and cash equivalents	\$ -	\$ 321,624	\$ 4,451,901
Pledges receivable	-	-	613,254
Grant receivable	-	-	53,133
Prepaid expenses and other assets	-	-	19,128
Investments	-	2,571,379	-
Property and equipment	800,457	-	-
Accounts payable	-	-	(1,252,306)
Contract liability	-	-	(2,800,000)
Funds held for other entities	-	-	(1,271,814)
Note payable	(218,498)	-	-
	<u>\$ 581,959</u>	<u>\$ 2,893,003</u>	<u>\$ (186,704)</u>
Net assets	<u>\$ 581,959</u>	<u>\$ 2,893,003</u>	<u>\$ (186,704)</u>
	2019		
	Investment in Property & Equipment	Designated	Undesignated
Cash and cash equivalents	\$ -	\$ 124,849	\$ 2,858,951
Pledges receivable	-	-	511,450
Grant receivable	-	-	195,508
Prepaid expenses and other assets	-	-	38,275
Investments	-	2,849,459	-
Property and equipment	836,081	-	-
Accounts payable	-	-	(1,033,793)
Contract liability	-	-	-
Funds held for other entities	-	-	(2,092,900)
Note payable	(265,054)	-	-
	<u>\$ 571,027</u>	<u>\$ 2,974,308</u>	<u>\$ 477,491</u>
Balance	<u>\$ 571,027</u>	<u>\$ 2,974,308</u>	<u>\$ 477,491</u>

**UNITED WAY OF COLLIER COUNTY, INC.**

**NOTES TO FINANCIAL STATEMENTS - MARCH 31, 2020 AND 2019**

**NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes:

	<u>2020</u>	<u>2019</u>
Subject to expenditure for specified purpose:		
Hurricane Irma projects	\$ 246,070	\$ 275,058
Reef Restoration projects	625,000	-
IDA program	-	18,899
Educational programs	-	6,029
	<u>871,070</u>	<u>299,986</u>
Perpetual in nature:		
Educational programs	-	33,000
	<u>\$ 871,070</u>	<u>\$ 332,986</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended March 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Satisfaction of purpose restrictions:		
Hurricane Irma projects	\$ 43,968	\$ 6,175
VITA program	15,000	5,400
IDA program	18,899	-
Volunteer Collier program	-	5,500
Educational programs	6,488	-
Permanently restricted investment released	33,000	-
	<u>\$ 117,355</u>	<u>\$ 17,075</u>

**NOTE 11 - GRANT REVENUE**

During the years ended March 31, 2020 and 2019, the Organization recognized grant revenue for the following purposes:

	<u>2020</u>	<u>2019</u>
Management, oversight and distribution of UAE grant (See Note 7)	\$ -	\$ 350,000
Disaster case management grant	581,791	509,557
	<u>\$ 581,791</u>	<u>\$ 859,557</u>

**UNITED WAY OF COLLIER COUNTY, INC.**

**NOTES TO FINANCIAL STATEMENTS - MARCH 31, 2020 AND 2019**

**NOTE 12 - INVESTMENT RETURN, NET**

Investment return consists of the following:

	<u>2020</u>	<u>2019</u>
Interest income	\$ 4,179	\$ 2,315
Dividend income	61,777	66,447
Net realized gains	26,994	26,921
Net unrealized loss	(224,600)	(2,739)
Investment management fees	<u>(14,983)</u>	<u>(13,968)</u>
 Total	 <u>\$ (146,633)</u>	 <u>\$ 78,976</u>

**NOTE 13 - FAIR VALUE MEASUREMENTS**

The Organization measures fair value as set forth in the Statement of Financial Accounting Standard FASB ASC 820, "Fair Value Measurements." FASB ASC 820 applies to reported balances that are required or permitted to be measured at fair value under an existing accounting pronouncement. FASB ASC 820 emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy.

The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 - Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 - Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics or discounted cash flows.

Level 3 - Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

The following are the major categories of assets measured at fair value on a recurring basis during the years ended March 31, 2020 and 2019:

	<u>2020</u> Fair Value	<u>2020</u> Level 1	<u>2019</u> Fair Value	<u>2019</u> Level 1
Equity securities	\$ 467,885	\$ 467,885	\$ 233,790	\$ 233,790
Mutual funds	2,103,494	2,103,494	2,615,669	2,615,669
	<u>\$ 2,571,379</u>	<u>\$ 2,571,379</u>	<u>\$ 2,849,459</u>	<u>\$ 2,849,459</u>

**UNITED WAY OF COLLIER COUNTY, INC.**

**NOTES TO FINANCIAL STATEMENTS - MARCH 31, 2020 AND 2019**

**NOTE 14 - SPECIAL EVENTS, NET**

UWCC conducts several special events each year. Special event revenues and expenses consisted of the following during the years ended March 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Revenue	\$ 7,700	\$ 88,520
Revenue- in kind	19,962	56,997
Total revenues	<u>27,662</u>	<u>145,517</u>
Expenses	(34,101)	(64,272)
Expenses- in kind	(19,962)	(56,997)
Total expenses	<u>(54,063)</u>	<u>(121,269)</u>
Net total	<u>\$ (26,401)</u>	<u>\$ 24,248</u>

**NOTE 15 - EMPLOYEE BENEFIT PLANS**

UWCC provides a salary reduction simplified employee pension (SARSEP) for all employees that have met certain age requirements. The Organization contributes 5.3% of compensation to each participant's individual account which vests immediately. Participants can also make tax deferred contributions of their own, up to 25% of compensation, less amounts contributed by the employer. Employer contributions totaled \$37,936 in fiscal year 2020 and \$32,294 in fiscal year 2019.

**NOTE 16 - CONCENTRATIONS**

**Concentration of Credit Risk**

The Organization maintains cash balances at several financial institutions in bank deposits which, at times, may exceed federally-insured limits of \$250,000. The Organization has not experienced any losses on such accounts and believes it is not exposed to any significant risk on cash.

**Concentration of Contribution Revenue**

Approximately 24% and 34% of UWCC's annual support was provided by contributions from one corporation and its employees, for the years ended March 31, 2020 and 2019, respectively.

**NOTE 17 - PRIOR PERIOD ADJUSTMENT**

During 2019, UWCC incorrectly recorded a liability for anticipated future payments to local charitable organizations. No binding commitments existed at that time. The prior year financial statements have been adjusted to reflect correction of this error. As a result of the correction, the decrease in net assets for the year ended March 31, 2019 decreased \$205,000. Also, as of March 31, 2019, net assets increased \$205,000 and accounts payable and accrued expenses decreased \$205,000.

## UNITED WAY OF COLLIER COUNTY, INC.

### NOTES TO FINANCIAL STATEMENTS - MARCH 31, 2020 AND 2019

#### NOTE 18 - SUBSEQUENT EVENTS

Subsequent events were evaluated through October 13, 2020, which is the date the financial statements were available to be issued.

#### COVID-19

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China. The virus has since spread to the United States and other countries resulting in a global pandemic. On April 1, 2020, the governor of the State of Florida issued a mandatory safer-at-home order for the entire state. As a result, non-essential businesses were temporarily required to significantly curtail operations or close altogether. Beginning in the summer of 2020, the governor began a phased re-opening of most businesses. The pandemic has caused an increase in unemployment and a decrease in general economic conditions throughout the United States. The ultimate impact on UWCC's future operations cannot be determined at this time.

#### Merger

On January 21, 2020, the Board of Directors voted to approve the merger of United Way of Collier County, Inc. with United Way of the Florida Keys, Inc. effective on April 1, 2020. United Way of Collier County, Inc. was the surviving corporation and was renamed United Way of Collier and the Keys, Inc. The merged entity operates from headquarters in Naples, Florida and maintains an office in Monroe County, Florida. At March 31, 2020, United Way of the Florida Keys, Inc. had approximately \$675,000 of assets, \$74,000 of liabilities, and net assets of \$601,000, which included \$62,000 subject to donor restrictions.

#### TCO Manager Software Contract

On April 2, 2020, the Board of Directors contracted with LCO Software, Inc. to utilize TCO Manager Software to be used by the United Way of Collier and the Keys and its partner agencies in Collier County and Monroe County for one year at the cost of \$100,000. The software is used for a virtual case management platform branded for the United Way called "United Way's Remote Crisis Case Management System".

**UNITED WAY OF COLLIER COUNTY, INC.**  
**SCHEDULES OF ANNUAL GRANTS PAID AND UNITED WAY PROGRAMS**  
**FOR THE YEARS ENDED MARCH 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
A.L.I.C.E. - Community Impact Assessment - United Way Program	\$ 14,563	\$ 1,548
American Red Cross	-	20,000
Boy Scouts of America	-	20,000
Cancer Alliance of Naples	52,000	50,000
Catholic Charities	131,500	133,340
Children's Advocacy Center	22,000	50,000
Collier 211 - United Way Program	9,216	28,865
Community Foundation of Collier County	12,500	15,000
Friendship Health Center	17,500	35,000
Fun Time Early Childhood Academy	-	60,000
Goodwill	24,200	20,000
Grace Lutheran Church Pelican Community Center	7,000	5,000
Grace Place	52,000	50,000
Guadalupe Center	48,000	30,000
Healthcare Network of Southwest Florida	27,500	-
Legal Aid Services of Collier County	55,725	60,000
Lighthouse of Collier, Inc.	17,000	30,000
Literacy Council Gulf Coast	12,000	20,000
Naples Senior Center at JFCS	-	10,000
Naples Therapeutic Riding Center	-	20,000
National Alliance on Mental Illness	10,000	60,000
Neighborhood Health Clinic	-	15,000
New Horizons of Southwest Florida	32,000	-
Pathways Early Education Center of Immokalee	49,500	47,500
Redlands Christian Migrant Association	42,000	53,500
Shelter for Abused Women & Children	12,000	7,040
Southwest Florida Community Foundation	-	2,500
STARability	-	15,000
Sunrise Community of Southwest Florida, Inc.	52,000	57,000
The Immokalee Foundation	12,000	10,000
The Salvation Army	27,000	-
Volunteer Collier-United Way Program	17,723	19,170
Volunteer Income Tax Assistance Program - United Way Program	905	1,595
Wellfit Girls Program SWFL, Inc.	27,500	-
Y.M.C.A. of South Collier	97,000	75,000
Youth Haven	59,000	50,000
Other	2,500	8,597
Total	<u>\$ 943,832</u>	<u>\$ 1,080,655</u>