

UNITED WAY OF COLLIER AND THE KEYS, INC.

FINANCIAL STATEMENTS

Year Ended March 31, 2021

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Independent Auditor's Report

To the Board of Directors
United Way of Collier and the Keys, Inc.

We have audited the accompanying financial statements of United Way of Collier and the Keys, Inc. (a nonprofit organization) (the "Organization") which comprise the statement of financial position as of March 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year 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 and the Keys, Inc., as of March 31, 2021, 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.

Emphasis of Matter

As discussed in Note A to the financial statements, on April 1, 2020, United Way of Collier County, Inc. merged with the United Way of the Florida Keys, Inc. The merged entity is known as the United Way of Collier and the Keys, Inc.

Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Annual Grants Paid and United Way Programs for the year ended March 31, 2021 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 related 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.

Sullivan & Fengler

Sullivan & Fengler
Fort Lauderdale, Florida
July 15, 2021

FINANCIAL STATEMENTS

UNITED WAY OF COLLIER AND THE KEYS, INC.
STATEMENT OF FINANCIAL POSITION
 March 31, 2021

ASSETS

Cash (Notes B,Q)	\$ 4,436,333
Cash restricted/designated	1,001,860
Investments - cash equivalents	73,354
Investments - designated (Note J)	3,558,556
Prepaid expenses	25,337
Accounts receivable - grants	50,629
Pledges receivable net of allowance (Note I)	
Less allowance for uncollectable	715,975
Equipment less accumulated depreciation (Note D)	772,746
Deposit	<u>1,448</u>
TOTAL ASSETS	<u>\$10,636,238</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued expense	\$ 312,308
Deferred revenue	10,989
Agency allocations payable (Note E)	961,125
Funds held for other entities (Note F)	1,081,000
Contract liabilities (grant funds received in advance Note F)	2,770,000
Debt PPP loan contract liability (Note L)	186,752
Note payable (Note K)	<u>170,473</u>
TOTAL LIABILITIES	<u>5,492,647</u>
Net Assets:	
without donor restrictions	
Project designated (Note H)	3,851,000
Undesignated	<u>583,175</u>
Total without donor restriction	<u>4,434,175</u>
with donor restrictions (Note G)	<u>709,416</u>
TOTAL NET ASSETS	<u>5,143,591</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$10,636,238</u>

The accompanying notes are an integral part of these statements.

UNITED WAY OF COLLIER AND THE KEYS, INC.
STATEMENT OF ACTIVITIES
Year Ended March 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restriction</u>	<u>Total</u>
Revenue, Support, and Gains:			
Gross campaign results	\$2,273,880	\$ -	\$2,273,880
Provision for uncollectable	<u><249,797></u>	<u>-</u>	<u><249,797></u>
Net campaign results	2,024,083	-	2,024,083
Hurricane Irma	-	422,302	422,302
COVID relief	565,457	-	565,457
COVID Cares Act	248,355	-	248,355
Reef Restoration Project	30,000	-	30,000
In-Kind contributions (Note N)	12,376	-	12,376
Special events:			
Stuff the Bus	-	23,235	23,235
Other	2,963	-	2,963
VITA	20,413	-	20,413
Collier 211	12,723	-	12,723
Imagination Library	-	10,825	10,825
Emergency food & shelter	3,056	-	3,056
Other	1,787	-	1,787
Investment return (Note J)	935,466	-	935,466
Net assets released from restrictions:			
Purpose restriction	658,846	<658,846>	-
Time restriction	<u>20,645</u>	<u><20,645></u>	<u>-</u>
Total revenue, support and gains	<u>4,536,170</u>	<u><223,129></u>	<u>4,313,041</u>
Expenses and Losses:			
Program services expense	<u>3,387,049</u>	<u>-</u>	<u>3,387,049</u>
Supporting services expense:			
Management and general	262,100	-	262,100
Fund raising and development	224,390	-	224,390
Total support services	<u>486,490</u>	<u>-</u>	<u>486,490</u>
Total functional expenses	3,873,539	-	3,873,539
Payments Affiliate Dues	<u>55,843</u>	<u>-</u>	<u>55,843</u>
Total Expenses	<u>3,929,382</u>	<u>-</u>	<u>3,929,382</u>
CHANGE IN NET ASSETS	606,788	<223,129>	383,659
NET ASSETS AT BEGINNING OF YEAR	<u>3,827,387</u>	<u>932,545</u>	<u>4,759,932</u>
NET ASSETS AT END OF YEAR	<u>\$4,434,175</u>	<u>\$709,416</u>	<u>\$5,143,591</u>

The accompanying notes are an integral part of these statements.

UNITED WAY OF COLLIER AND THE KEYS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended March 31, 2021

		Support Services			
	Program Services	Management General	Fund Raising Development	Total Support	Total
Total grants and awards	\$1,107,876	\$ -	\$ -	\$ -	\$1,107,876
COVID relief	434,684	-	-	-	434,684
Hurricane Irma relief	508,091	-	-	-	508,091
Community impact	139,166	-	-	-	139,166
Community improvement	111,420	-	-	-	111,420
Collier 211	33,467	-	-	-	33,467
Reef Restoration Project	33,093	-	-	-	33,093
Stuff the Bus	24,450	-	-	-	24,450
Volunteer Collier	15,975	-	-	-	15,975
VITA	13,971	-	-	-	13,971
Imagination Library	9,059	-	-	-	9,059
Campaign, promo/volunteers	42,410	-	-	-	42,410
Wages, taxes, benefits	790,203	137,020	189,219	326,239	1,116,442
Professional fees	-	74,123	-	74,123	74,123
Postage/printing	2,477	354	708	1,062	3,539
Office/other	1,580	5,297	451	5,748	7,328
Occupancy	41,234	5,891	11,781	17,672	58,906
Interest expense	5,764	823	1,647	2,470	8,234
Insurance	5,192	742	1,484	2,226	7,418
Information/technology	32,547	4,650	9,300	13,950	46,497
Dues and subscriptions	1,386	1,385	1,385	2,770	4,156
Meetings and conventions	3,554	-	-	-	3,554
Bank and processing fees	-	27,608	-	27,608	27,608
Total functional expenses before depreciation	3,357,599	257,893	215,975	473,868	3,831,467
Depreciation	29,450	4,207	8,415	12,622	42,072
Total functional expenses	\$3,387,049	\$262,100	\$224,390	\$486,490	\$3,873,539

The accompanying notes are an integral part of this statement.

UNITED WAY OF COLLIER AND THE KEYS, INC.
STATEMENT OF CASH FLOWS
Year Ended March 31, 2021

Cash flows <to> from operating activities:	
Change in net assets	\$ 383,659
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation	42,072
Unrealized gain on investment	<562,361>
<Increase> decrease in operating assets:	
Pledges receivable, net	<82,076>
Prepaid expenses	<4,021>
Grants receivable	2,504
Increase <decrease> in operating liabilities:	
Agency allocations payable	<143,875>
Contract liabilities	<30,000>
Funds held for other entities	<190,814>
Accounts payable and accrued expenses	102,205
Deferred revenue	<97>
	<u> </u>
Cash flows <to> from operating activities	<u><482,804></u>
Cash flow <to> from investing activities:	
Purchase of fixed assets	<14,361>
Purchase of investments	<3,066,696>
Maturity of certificates of deposit	15,690
Sale of investments	2,641,880
Cash flows <to> from investing activities	<u><423,487></u>
Cash flow <to> from financing activities:	
Loan proceeds	186,752
Payments on debt	<48,025>
Cash flows <to> from financing activities	<u>138,727</u>
Net change in cash and cash equivalents	<767,564>
Cash and cash equivalents beginning of year	<u>6,279,111</u>
Cash and cash equivalents end of year	<u>\$5,511,547</u>
Cash	\$4,436,333
Cash restricted/designated	1,001,860
Cash investment accounts	73,354
	<u>\$5,511,547</u>
Supplemental Data:	
Interest	\$ <u>8,234</u>

The accompanying notes are an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS

UNITED WAY OF COLLIER AND THE KEYS, INC.

Notes to Financial Statements

March 31, 2021

NOTE A – NATURE OF ACTIVITIES

The United Way of Collier and the Keys (UWCK) creates thriving communities by improving the financial stability of families living paycheck to paycheck and by strengthening health and education. Our vision is to foster the well-being of Collier and Monroe County residents, helping them to succeed, enhancing the overall quality of life across both counties.

UWCK invests in programs at local nonprofit agencies and internal programs that promote financial stability, health, and education. An active partner of businesses, individual donors, nonprofit agencies, and governments, we innovate and leverage our relationships to continually improve services and access to services for those in need, and provide enhanced aid in times of crisis.

During the 2020-21 fiscal year, the United Way of Collier and the Keys continued to fund partner agencies while serving as a partner in distributing approximately \$7.5 million in housing aid to individuals and families impacted by the COVID-19 pandemic, as well as approximately \$500,000 in food assistance. UWCK also repaired or rebuilt more than fifty Collier County homes as part of the long-term recovery from Hurricane Irma. As part of *Mission Iconic Reefs*, an ongoing partnership with the Embassy of the United Arab Emirates and the National Oceanic and Atmospheric Administration, among other national, state, and local partners, UWCK hired expert staff, developed an application process, and issued a request for proposals for more than \$2 million in grants. The largest coral reef restoration project in the world, *Mission Iconic Reefs* will rehabilitate a critical natural resource that is central to the Monroe County economy.

Merger

On April 1, 2020, United Way of Collier County, Inc. merged with United Way of the Florida Keys, Inc. The merged entity is known as United Way of Collier and the Keys, Inc. United Way of Collier and the Keys, Inc. (UWCK) operates from a headquarters in Naples, Florida with an office located in Monroe County. At the date of merger, United Way of Collier County, Inc., had assets of \$9,701,946, liabilities of \$5,542,618, and net assets of \$4,159,328, with purpose restrictions of \$871,070. United Way of the Florida Keys, Inc. had assets of \$674,487, liabilities of \$73,883, and net assets of \$600,604, with purpose restrictions of \$61,475.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

UNITED WAY OF COLLIER AND THE KEYS, INC.

Notes to Financial Statements

March 31, 2021

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 without donor restrictions are available for use in general operating operations and are not subject to donor or grantor restrictions.

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor/grantor imposed, time and/or purpose restrictions. 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.

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the same reporting period in which the revenue is recognized. All other donor-restrictions are reported as increases in net assets with donor restrictions, according to the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Expenses that are allocated include occupancy, printing and postage, office supplies, insurance, information technology, and depreciation which are allocated on use. Payroll and related expenses and professional fees are allocated on a basis of estimates of time and effort.

Fixed Assets

Acquisitions of property and equipment or repairs, maintenance, or betterments that materially prolong the useful lives of assets in excess of \$1,000 for the Naples office, and \$2,000 for the Keys office are capitalized. Property and equipment are stated at cost. Depreciation is charged to operations over the estimated useful lives of the respective assets using the straight-line method. Property and equipment have an estimated useful life from three to thirty-nine years.

Investments

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

UNITED WAY OF COLLIER AND THE KEYS, INC.

Notes to Financial Statements

March 31, 2021

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Support /Contributions/Pledges

Contributions are recognized as income when they become unconditional promises to contribute, at their fair values. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence of any donor restrictions. Pledges for contributions are recorded as a receivable when the pledge is received, and allowances are provided for pledges estimated to be uncollectable based on prior years and management's analysis of specific promises made. 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.

Donated Services

Donated services (in-kind donations) are recognized if the services create or enhance non-financial assets, or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

The Organization has volunteers who have donated significant amounts of their time to United Way of Collier and the Keys, Inc. however, such contributed services do not meet the criteria for recognition under accounting principles generally accepted in the United States of America.

Income Taxes

The Organization qualified as a tax-exempt organization under section 501 (c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income tax. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private organization under Section 509(a)(2). Income from certain Organization activities not directly related to its tax-exempt purpose may be subject to income tax. The current and previous three years remain subject to examination by the IRS. There was no unrelated business income or deferred taxes for the year ended March 31, 2021.

NOTE C – EVALUATION OF SUBSEQUENT EVENTS

United Way of Collier and the Keys, Inc. has evaluated subsequent events through July 15, 2021, the date which the financial statements were available to be issued.

NOTE D – PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>March 31, 2021</u>
Building	\$899,005
Furniture and Equipment	131,732
Lease hold improvements	6,250
Accumulated depreciation	<264,241>
	<u>\$772,746</u>

The aggregate depreciation charged to operations was \$42,072 for the year ended March 31, 2021.

UNITED WAY OF COLLIER AND THE KEYS, INC.
Notes to Financial Statements
March 31, 2021

NOTE E – AGENCY ALLOCATIONS PAYABLE

Agency funding agreements constitute legally binding commitments to fund partner agencies. The Board of Directors approved allocations to thirty-eight agencies totaling \$917,375 to be disbursed from April 2021 through March of 2022. In May of 2020, the Board approved allocations of \$282,049 to be paid from July 1, 2020 through June 30, 2021. As of March 31, 2021 the remaining amount to be paid was \$43,750. Each of these agencies has signed a memorandum of understanding. As of March 31, 2021, \$961,125 remains to be disbursed.

NOTE F – FUNDS HELD FOR OTHER AGENCIES AND CONTRACT LIABILITIES

Collier County School Board

On February 8, 2019, the United Way of Collier County, Inc., entered into a contract with the Embassy of the United Arab Emirates (UAE) to act as steward and administrator of grant funds for the School Board of Collier County for \$1,088,000. These funds were received in the year ended March 31, 2019, and recorded on the statement of financial position as “Funds Held for Other Entities”. During the year ended March 31, 2019, \$82,000 was disbursed, leaving \$1,006,000 to be disbursed as of March 31, 2021 (See Note H).

Keys Reef Restoration

On December 19, 2019, the United Way of Collier County, Inc., entered a contract with the Embassy of the United Arab Emirates (UAE) for reef restoration for damage caused by Hurricane Irma in the Florida Keys. The UAE granted \$3,500,000 to be used for reef restoration. These funds were received in the year ended March 31, 2020; the terms of this contract are as follows:

The Organization has discretionary authority to expend funds for specific purposes totaling \$625,000. Those funds were recorded in the year ended March 31, 2020, as donor restricted contributions (See Note G).

The contract provided \$75,000 (See Note H) to co-sponsor an upcoming reef restoration conference. As the Organizations does not have discretionary authority over these funds, the funds are reflected in the statement of financial position as “Funds Held for Other Entities”.

The contract provided for \$2,800,000 (See Note H) to be expended for the first phase of an existing coral restoration project. The Organization has authority to subcontract with others to complete the work. These funds have been recorded as “Contract Liabilities-(grant funds received in advance)” on the Statement of Financial Position, during the year ended March 31, 2020. Revenue from this grant is being recognized as the funds are expended. During the year ended March 31, 2021, \$30,000 was expended and recognized as revenue, \$2,770,000 remains as a contract liability.

As of March 31, 2021, the above are reflected on the statement of financial position as follows:

Funds held for other entities:

Collier County School Board	\$1,006,000
Reef restoration conference	75,000
	<u>\$1,081,000</u>

Contract liabilities – (grant funds received in advance):

Reef restoration project	<u>\$2,770,000</u>
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UNITED WAY OF COLLIER AND THE KEYS, INC.

Notes to Financial Statements

March 31, 2021

NOTE G – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are as follows:

	March 31, 2020	Contributions	Released	March 31, 2021
Reef restoration project	\$625,000	\$ -	\$ 28,772	\$596,228
Imagination Library	28,273	10,825	10,156	28,942
Stuff the Bus	2,215	23,235	24,450	1,000
Hurricane Irma recovery	251,412	422,302	590,468	83,246
Safety net	5,000	-	5,000	-
Time restricted pledges	20,645	-	20,645	-
	<u>\$932,545</u>	<u>\$456,362</u>	<u>\$679,491</u>	<u>\$709,416</u>

NOTE H – NET ASSETS WITHOUT DONOR RESTRICTIONS DESIGNATED TO PROJECTS

Net assets without donor restrictions designated for projects are as follows (See Note F):

Reef restoration project	\$2,845,000
Collier County School Board	<u>1,006,000</u>
	<u>\$3,851,000</u>

NOTE I – PLEDGES

Pledges are carried at face amount less an allowance for doubtful accounts. On a periodic basis, pledges are evaluated and an allowance for doubtful accounts is established based on a combination of economic conditions, credit conditions, and the history of write-offs and collections. Campaign pledges are for one year or less. Pledges consist of the following:

	<u>March 31, 2021</u>
Pledges receivable	\$1,181,164
Allowance for uncollectable	<u><465,189></u>
	<u>\$ 715,975</u>

NOTE J – INVESTMENTS

Fair Value Measurements

FASB establishes 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. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

UNITED WAY OF COLLIER AND THE KEYS, INC.

Notes to Financial Statements

March 31, 2021

NOTE J – INVESTMENTS - continued

Level 2: Inputs to the valuation methodology include 1) quoted prices for similar assets or liabilities in active markets, 2) quoted prices for identical assets or liabilities in active markets, 3) inputs other than quoted prices that are observable for the asset or liability, and 4) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Inputs in the valuation methodology are unobservable and significant to the fair value measurement.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at March 31, 2021.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other markets, the use of different methodologies to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table set forth by level, within the fair value hierarchy, the Organization's assets at fair value as of March 31, 2021.

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equities	\$ 540,428	\$ -	\$ -	\$ 540,428
Mutual Funds:				
Equities	1,926,647	-	-	1,926,647
Fixed Income	-	1,091,481	-	1,091,481
	<u>\$2,467,075</u>	<u>\$1,091,481</u>	<u>\$ -</u>	<u>\$3,558,556</u>

Investment income net on the statement of activities:

Interest/dividend earnings	\$ 68,283
Fees	<16,258>
Realized gains/losses net	365,357
Unrealized gains/losses net	518,084
	<u>\$935,466</u>

NOTE K – NOTE PAYABLE

Note payable is a term loan to a financial institution with interest of 4 percent and matures June 15, 2024. Principal and interest payments are \$4,669 monthly. The note is secured by mortgage interest against real property. Maturities are as follows for March 31:

2022	\$ 49,795
2023	51,852
2024	68,826
	<u>\$170,473</u>

UNITED WAY OF COLLIER AND THE KEYS, INC.

Notes to Financial Statements

March 31, 2021

NOTE L – DEBT - PAYCHECK PROTECTION PROGRAM

On February 16, 2021, the United Way of Collier and the Keys, Inc., executed a promissory note for \$186,752 under the Paycheck Protection Program (“PPP”) as authorized by the Coronavirus, Aid, Relief, and Economic Security Act (the “CARES Act”). In accordance with the guidance of the AICPA, the Organization had the option to report the proceeds of this forgivable loan program under FASB Accounting Standards Codification (ASC) 470, Debt or to analogize the guidance of FASB Accounting Standards Codification (ASC) 958-605, Revenue Recognition, and account for the funds as a conditional government grant. The Organization’s management elected to follow the provision of ASC 470 in which the loan proceeds remained recorded as a liability until the loan is fully forgiven and it had been legally released by the Small Business Administration. If certain criteria are met the loan will be forgiven. UWCK must apply for forgiveness within 10 months of the loan forgiveness covered period of 24 weeks, August 3, 2021. Interest of 1 percent is accruing but is deferred. Management believes they will meet the criteria for the loan to be forgiven.

NOTE M – COMMITMENTS

Line of Credit

On March 5, 2021, United Way of Collier and the Keys, Inc. entered into a line of credit for \$1,000,000 for working capital with a local banking institution. The loan is secured by a portion of the investment account and has other restricting covenants. Loan costs paid were \$2,450 and the line matures March 5, 2024. As of March 31, 2021 the line had not been accessed.

Subscription Service Agreement

On January 15, 2018, United Way of the Florida Keys, Inc. entered into a twenty-four-month agreement for subscription services at \$500 per month for awards tracking and software monitoring of grants to support nonprofit agencies. The agreement has an automatic twelve-month renewal unless 30-day notice of cancellation is given. Subscription expense was \$4,500 for the year ended March 31, 2021, this agreement was replaced with the following agreement.

On December 1, 2020, United Way of Collier and the Keys, Inc. renewed its agreement for twenty-four-month for subscription services at \$599 per month, for awards tracking and software monitoring of grants to support nonprofit agencies. The agreement has an automatic twelve-month renewal unless 30-day notice of cancellation is given. Subscription expense was \$5,895 for the year ended March 31, 2021.

Copier Lease

The Organization entered a sixty-month lease, on April 29, 2021 for a copier at \$200 per month. This lease replaced an existing copier lease which terminated March 31, 2021. Total lease expense was \$3,955 for the year ended March 31, 2021.

Office Lease

The Organization signed a lease for office space in Key West Florida effective April 1, 2019, for a two-year period. Monthly rent is \$798 and is currently on a month-to-month basis.

Future minimum commitments for the above leases are as follows as of March 31:

2022	\$ 9,588
2023	7,791
2024	2,400
2025	2,400
2026	2,400
	<u>\$24,579</u>

UNITED WAY OF COLLIER AND THE KEYS, INC.

Notes to Financial Statements

March 31, 2021

NOTE N – IN-KIND DONATIONS

United Way of Collier and the Keys, Inc. received the following in-kind donations with the support recorded as in-kind contributions in the statement of activities and the offsetting expense as follows:

Printing	\$ 10,226
Office/other	900
VITA	<u>1,250</u>
	<u>\$12,376</u>

NOTE O – LIQUIDITY AND AVAILABILITY OF RESOURCES

United Way of Collier and the Keys, Inc. maintains a policy of operating within a prudent range of financial soundness and stability, structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due and operating within the annual approved budget. United Way of Collier and the Keys, Inc. also received contributions restricted by donors, and considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures. To achieve this, the Organization forecasts its future cash flows and monitors its liquidity monthly. United Way of Collier and the Keys, Inc.'s financial assets available within one year of the statement of financial position date for general expenditure are as follows as of March 31, 2021.

Cash and cash equivalents	\$5,511,547
Investments	3,558,556
Accounts receivable - grants	50,629
Pledges receivable - net of allowance	<u>715,975</u>
Total financial assets available within one year	<u>9,836,707</u>
Less:	
Funds held for other entities	1,081,000
Contract liabilities	2,770,000
Restricted by donors with purpose/ time restrictions	<u>709,416</u>
	<u>4,560,416</u>
Total financial assets available to the organization within one year	<u>\$5,276,291</u>

NOTE P – EMPLOYEE BENEFIT PLAN

The Organization provides a salary reduction simplified employee pension for all employees that have met certain age requirements. The Organization contributes 5.3 percent of compensation to each participant's individual account which vests immediately. Participants can also make tax deferred contributions of their own, up to 25 percent of compensation, less amounts contributed by employer. Employer contribution for the year ended March 31, 2021, was \$66,721.

UNITED WAY OF COLLIER AND THE KEYS, INC.

Notes to Financial Statements

March 31, 2021

NOTE Q – CONTINGENCY

Concentration Financial instruments that potentially subject the Organization to concentrations of credit risk are cash. The Organization maintains cash with financial institutions that, from time to time, may include balances which exceed federally insured limits. These balances are maintained with high quality institutions, which management feels limits those risks.

Pandemic – risks and uncertainties In March 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. As a result, the local and global financial markets experienced significant declines and economic uncertainties. The coronavirus and fear of further spread caused quarantines, cancellation of events, and overall reduction in business and economic activity. At this time, the Organization is still feeling the effects of pandemic-related challenges financially and operationally. Management continues to monitor and manage this continuing uncertainty. It is unknown how this will impact the Organization's financial statements. As described in Note L, the Organization received funding for the pandemic under the Paycheck Protection Program. The Organization has also provided funding to many other organization's effected by the pandemic.

SUPPLEMENTAL INFORMATION

**United Way of Collier and the Keys
Schedule of Grants Paid and United Way Programs
For the Year Ended March 31, 2021**

A.H. Monroe County	\$ 237,219
Bahama Village Music Programs	6,750
Boys and Girls Club of the Keys	6,375
Burton United Methodist Church Child Dev Center	12,375
Cancer Alliance of Naples	65,000
Catholic Charities Diocese of Venice	147,000
Catholic Charities of the Archdioces of Miami	9,300
Children's Advocacy Center	45,000
Community Foundation Collier	2,500
Dolphins to Stop Domestic Violence	1,500
Domestic Abuse Center	250
First Baptist Church Islamorada	5,000
FL Keys Area Health Education Ctr Program	5,875
FL Keys Childrens Shelter	1,250
FL Keys Healthy Start Coalition	6,250
FL Keys Outreach Coalition	98,125
Florida Lion Eye Clinic	10,000
Goodwill	31,963
Grace Jones Community Center, Inc.	7,500
Grace Luthern Pelican Comm	15,000
Grace Place	85,082
Guadalupe Center	74,000
Guidance Care Center	18,800
Habitat for Humanity	50,000
Hammock House Diocese of S.E. Florida	7,000
Heart of the Keys Rec Assocociation	8,250
Housing Development S.W. FL	30,000
Hurricane Relief	585,126
Immokalee Foundation	25,000
Independence Cay, Inc.	7,250
Keys Area Interdenominational Resources	35,000
Kreative Kids	3,500
Legal Aid Services Collier County	59,238
Legal Services of Greater Miami	9,000
Metropolitan Community Church Key West	21,200
Monroe Associaiton For ReMarcable Citizens	2,375
New Horizons of S.W. FL	45,000
Pathways Early Education	50,000
Physician Led Access Network (PLAN)	25,000
RCMA	50,000
Salvation Army	15,000
Samuel's House	450
Shelter for Abused Women	20,000
Sister Season Fund	975
Star of the Sea Foundation Inc	43,520
Sunrise Community	62,500
The Salvation Army	35,000
Wesley House	5,000
Womankind	16,500
YMCA of South Collier - Marco	98,000
YMCA of South Florida	6,000
Youth Haven	65,000
	<u>\$ 2,272,998</u>

See Independent Auditor's Report.