

**United Way of
Martin County, Inc.**

**United Way of
Martin County Foundation, Inc.**

**ANNUAL FINANCIAL REPORT
June 30, 2021 and 2020**

C O N T E N T S

| | Page |
|---|-------|
| REPORT OF INDEPENDENT AUDITORS | 1-3 |
| FINANCIAL STATEMENTS | |
| Consolidated Statement of Financial Position | 4 |
| Consolidated Statement of Activities | 5 |
| Consolidated Statement of Cash Flows | 6 |
| Consolidated Statement of Functional Expenses | 7 |
| Consolidated Notes to Financial Statements | 8-25 |
| SUPPLEMENTARY INFORMATION | |
| Combining Schedule of Financial Position – June 30, 2021 | 26 |
| Combining Schedule of Activities – June 30, 2021 | 27 |
| Combining Schedule of Financial Position – June 30, 2020 | 28 |
| Combining Schedule of Activities – June 30, 2020 | 29 |
| Schedule of Expenditures of Federal Awards | 30 |
| Notes to Schedule of Expenditures of Federal Awards | 31 |
| Schedule of Findings and Questioned Costs | 32-33 |
| Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 34-35 |
| Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance | 36-38 |



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Report of Independent Auditors

The Board of Directors
United Way of Martin County, Inc.
Stuart, Florida

We have audited the accompanying consolidated financial statements of the United Way of Martin County Inc. (the "Organization") as of June 30, 2021 and the related consolidated statements of activities, functional expenses, cash flows and notes to financial statements for the year then ended.

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 and the standards applicable to financial statement audits contained in *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 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 evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the Board of Directors
United Way of Martin County, Inc.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of United Way of Martin County, Inc. as of June 30, 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.

Report on Summarized Comparative Information

We have previously audited the Organization's June 30, 2020 consolidated financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 9, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it is derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The combining schedules of financial position and the combining schedules of activities are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR), Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* ("Uniform Guidance") and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



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

To the Board of Directors
United Way of Martin County, Inc.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2021 on our consideration of the Organization's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

*Berger Toombs Elam
Gaines & Frank*

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

October 21, 2021

United Way of Martin County, Inc.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
June 30, 2021
(With Comparative Totals at June 30, 2020)

| | <u>2021</u> | <u>2020</u> |
|--|----------------------------|----------------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 2,051,817 | \$ 1,935,631 |
| Receivables | | |
| Campaign receivable, net of allowance of \$150,000 and \$182,000 | 380,121 | 428,081 |
| Endowment receivable, net of discount | 139,113 | 121,748 |
| Other receivables | 17,335 | 15,306 |
| Prepaid expenses | 92,921 | 53,059 |
| Total current assets | <u>2,681,307</u> | <u>2,553,825</u> |
| Furniture, fixtures and equipment at cost, less accumulated depreciation of \$91,744 and \$107,229 | 16,542 | 16,747 |
| Security deposit | 10,963 | 10,963 |
| Endowment receivable, net of discount | 404,534 | 561,012 |
| Long-term investments | <u>5,781,084</u> | <u>4,059,417</u> |
| Total assets | <u><u>\$ 8,894,430</u></u> | <u><u>\$ 7,201,964</u></u> |
| Liabilities and Net Assets | | |
| Current liabilities | | |
| Allocations payable and other accrued liabilities | \$ 1,189,470 | \$ 1,312,731 |
| Net assets | | |
| With donor restrictions | 4,635,955 | 3,947,922 |
| Without donor restrictions | <u>3,069,005</u> | <u>1,941,311</u> |
| Total net assets | <u>7,704,960</u> | <u>5,889,233</u> |
| Total liabilities and net assets | <u><u>\$ 8,894,430</u></u> | <u><u>\$ 7,201,964</u></u> |

United Way of Martin County, Inc.
CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021
(With Summarized Comparative Information for the Year Ended June 30, 2020)

| | Without Donor Restrictions | With Donor Restrictions | Totals 2021 | 2020 |
|---|-------------------------------|----------------------------|----------------|--------------|
| Support and revenues | | | | |
| Public support: | | | | |
| Campaign results | | | | |
| Annual campaign | \$ 2,122,955 | \$ 544,070 | \$ 2,667,025 | \$ 2,346,416 |
| Less: Amounts raised on behalf of others | (409,529) | - | (409,529) | (412,298) |
| Less: Provision for uncollected pledge losses | (150,000) | - | (150,000) | (182,000) |
| Net campaign revenues | 1,563,426 | 544,070 | 2,107,496 | 1,752,118 |
| Disaster relief | - | - | - | 259,974 |
| Special events | 33,199 | 26,250 | 59,449 | 85,642 |
| Total public support | 1,596,625 | 570,320 | 2,166,945 | 2,097,734 |
| Revenues and grants from governmental agencies: | | | | |
| CARES Act Assistance | - | 3,979,678 | 3,979,678 | - |
| Retired and Senior Volunteer Service Grant | - | 96,344 | 96,344 | 66,673 |
| Total revenues and grants from governmental agencies | - | 4,076,022 | 4,076,022 | 66,673 |
| Other revenues and support: | | | | |
| Other grants | 11,250 | - | 11,250 | 14,500 |
| Other revenues: | | | | |
| Investment income | 466,432 | 585,181 | 1,051,613 | 195,352 |
| In-Kind goods and services | 58,056 | - | 58,056 | 35,730 |
| Other income | 324,718 | - | 324,718 | 64,801 |
| CARES Act administrative revenue | 351,584 | - | 351,584 | - |
| Administrative fees on amounts raised on behalf of others | 2,356 | - | 2,356 | 2,771 |
| Total other revenues | 1,203,146 | 585,181 | 1,788,327 | 298,654 |
| Net assets released from restrictions | 4,543,490 | (4,543,490) | - | - |
| Total support and revenues | 7,354,511 | 688,033 | 8,042,544 | 2,477,561 |
| Expenses | | | | |
| Program services | | | | |
| Community program services | 5,748,416 | - | 5,748,416 | 1,789,024 |
| Supporting services | | | | |
| Management and general | 178,565 | - | 178,565 | 134,810 |
| Campaign and marketing | 299,836 | - | 299,836 | 387,966 |
| Total supporting services | 478,401 | - | 478,401 | 522,776 |
| Total expenses | 6,226,817 | - | 6,226,817 | 2,311,800 |
| Change in net assets | 1,127,694 | 688,033 | 1,815,727 | 165,761 |
| Net assets | | | | |
| Beginning of year | 1,941,311 | 3,947,922 | 5,889,233 | 5,723,472 |
| End of year | \$ 3,069,005 | \$ 4,635,955 | \$ 7,704,960 | \$ 5,889,233 |

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

United Way of Martin County, Inc.
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

| | <u>2021</u> | <u>2020</u> |
|---|----------------------------|----------------------------|
| Cash flows from operating activities: | | |
| Change in net assets | \$ 1,815,727 | \$ 165,761 |
| Adjustments to reconcile changes in net assets to net cash provided by operating activities: | | |
| Depreciation | 13,009 | 12,815 |
| (Gain) loss on sale of securities | (204,389) | (111,070) |
| Unrealized (gain) loss on long-term investments | (779,049) | 5,623 |
| Change in assets and liabilities: | | |
| Decrease in pledges receivable | 47,960 | 69,047 |
| Decrease in grants and bequests receivable | 139,113 | 121,748 |
| (Increase) decrease in prepaid expenses | (39,862) | (16,038) |
| Increase (decrease) in allocations payable | (123,261) | 377 |
| Net cash provided by operating activities | <u>869,248</u> | <u>248,263</u> |
| Cash flows from investing activities: | | |
| Purchases of long-term investments | (1,701,030) | (803,529) |
| Proceeds from sales and maturities of long-term investments | 960,772 | 898,747 |
| Purchases of depreciable assets | (12,804) | (6,244) |
| Net cash provided by (used in) investing activities | <u>(753,062)</u> | <u>88,974</u> |
| Net increase in cash | 116,186 | 337,237 |
| Cash at beginning of year | <u>1,935,631</u> | <u>1,598,394</u> |
| Cash at end of year | <u><u>\$ 2,051,817</u></u> | <u><u>\$ 1,935,631</u></u> |

United Way of Martin County, Inc.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2021
(With Summarized Comparative Information for the Year Ended June 30, 2020)

| | Program Services | Supporting Services | | | Totals | |
|---|----------------------------|------------------------|------------------------|---------------------------|--------------|--------------|
| | Community Program Services | Management and General | Campaign and Marketing | Total Supporting Services | 2021 | 2020 |
| Distributions | | | | | | |
| Grants and allocations to funded partners | \$ 934,412 | \$ - | \$ - | \$ - | \$ 934,412 | \$ 1,005,662 |
| Discretionary grants and awards to others | 72,281 | - | - | - | 72,281 | 81,970 |
| Specific assistance | 4,013,038 | - | - | - | 4,013,038 | 82,629 |
| Total distributions | 5,019,731 | - | - | - | 5,019,731 | 1,170,261 |
| Compensation | | | | | | |
| Salaries | 332,306 | 114,365 | 159,881 | 274,246 | 606,552 | 619,339 |
| Employee benefits | 68,868 | 22,394 | 30,965 | 53,359 | 122,227 | 108,959 |
| Payroll taxes | 24,882 | 8,572 | 12,031 | 20,603 | 45,485 | 44,794 |
| Total compensation | 426,056 | 145,331 | 202,877 | 348,208 | 774,264 | 773,092 |
| Services and supplies | | | | | | |
| Audit and accounting | 3,221 | 1,566 | 8,413 | 9,979 | 13,200 | 12,999 |
| Insurance | 8,594 | 2,385 | 4,775 | 7,160 | 15,754 | 15,784 |
| Office maintenance | 16,664 | 3,973 | 7,190 | 11,163 | 27,827 | 27,461 |
| Meetings/community relations | 2,218 | 293 | 605 | 898 | 3,116 | 3,070 |
| Membership dues | 2,383 | 907 | 2,061 | 2,968 | 5,351 | 3,026 |
| Occupancy | 56,627 | 12,712 | 17,607 | 30,319 | 86,946 | 94,507 |
| General supplies | 4,593 | 1,973 | 2,807 | 4,780 | 9,373 | 6,010 |
| Telephone | 3,347 | 1,069 | 1,444 | 2,513 | 5,860 | 5,592 |
| Travel | 1,279 | 324 | 533 | 857 | 2,136 | 3,813 |
| Volunteer & staff development | 100 | 10 | 111 | 121 | 221 | 4,287 |
| Total services and supplies | 99,026 | 25,212 | 45,546 | 70,758 | 169,784 | 176,549 |
| Promotion and awareness | | | | | | |
| General promotion | 43,052 | 910 | 1,054 | 1,964 | 45,016 | 6,090 |
| Postage | 1,768 | 435 | 8,052 | 8,487 | 10,255 | 8,329 |
| Printing and publications | 5,720 | 966 | 2,860 | 3,826 | 9,546 | 9,241 |
| Professional services and consultants | 57,099 | 1,416 | 28,260 | 29,676 | 86,775 | 28,955 |
| Program service | 4,553 | - | - | - | 4,553 | 9,893 |
| Promotional material | 6,940 | 683 | 5,310 | 5,993 | 12,933 | 11,686 |
| Campaign and fundraising | 23,453 | 420 | 575 | 995 | 24,448 | 46,382 |
| Grant expense | - | - | - | - | - | 2,500 |
| Recognition - awards | 16,822 | 105 | 1,728 | 1,833 | 18,655 | 20,001 |
| Total promotion and awareness | 159,407 | 4,935 | 47,839 | 52,774 | 212,181 | 143,077 |
| Other expenses | | | | | | |
| Dues to national and state organizations | 37,848 | - | - | - | 37,848 | 35,710 |
| Interest expense | - | - | - | - | - | 296 |
| Depreciation | 6,348 | 3,087 | 3,574 | 6,661 | 13,009 | 12,815 |
| Total other expenses | 44,196 | 3,087 | 3,574 | 6,661 | 50,857 | 48,821 |
| Total expenses | \$ 5,748,416 | \$ 178,565 | \$ 299,836 | \$ 478,401 | \$ 6,226,817 | \$ 2,311,800 |

United Way of Martin County, Inc.
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE A – DESCRIPTION OF ORGANIZATION

United Way of Martin County, Inc., (“United Way”) is a not-for-profit fund raising, fund distribution and community service agency exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. United Way raises funds on an annual basis, primarily through employee payroll deductions at the workplace, corporate contributions and individual gifts. United Way uses contributions with no restrictions to support local health and human service initiatives, and also acts as an agent for funds restricted by donors for specific purposes. As an unbiased advocate for the community needs, United Way provides:

1. Leadership in engaging people in the public, private and not-for-profit sectors in community planning and development to take action on priority human care issues that affect the quality of life in the community.
2. Assistance to human care agencies in the recruitment of volunteers and the acquisition of financial resources by conducting an annual voluntary fundraising campaign, developing and coordinating governmental and private grants, individual gifts and supplemental income from bequests.
3. Investment in programs, projects and initiatives in Martin County, using a volunteer-driven process and a variety of resource investment strategies, to address priority human care needs, affect root causes and produce positive results.
4. Interaction with donors, key stakeholders, agency partners and community leaders to develop United Way and community strategies that focus and leverage resources to effect optimal, consistent and measurable improvement in those priority needs.

Affiliated Corporation

United Way has established the United Way of Martin County Foundation, Inc. (the “Foundation”). The Foundation is a separate non-profit organization which provides planned giving services to United Way donors. The Foundation provides a stream of funding for special grants, initiatives and emerging needs in the community. Both United Way and the Foundation are related organizations with the Foundation having a number of present and former United Way Board members. The accompanying financial statements include the accounts of both entities. Inter-company transactions and balances have been eliminated.

NOTE B – SUMMARY OF ACCOUNTING POLICIES

Financial Statements

The accompanying financial statements 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.

United Way of Martin County, Inc.
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE B – SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Financial Statements (Continued)

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:

Net Assets Without Donor Restrictions

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

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.

Annual campaigns are conducted each year to raise support for charitable distributions. An unconditional promise to give is recognized as revenue at the time of the pledge, net of an allowance for uncollectible amounts.

Donors have the option to designate their contribution to a specific organization. Such contributions are referred to as donor choice. United Way also manages campaigns for corporations with locations outside Martin County, Florida. Undesignated pledges from employees of these corporations who do not reside and/or work in Martin County will in certain instances be distributed to other regional United Way Organizations. The collection of these contributions and distribution to donor-specified agencies or other regional United Way Organizations are transactions in which United Way is acting as an agent or intermediary. These transactions are not reported in the statement of activities as revenue and expenses but are included in the total campaign amounts raised on the statement and then deducted as amounts raised on behalf of others before arriving at net current year contributions.

United Way of Martin County, Inc.
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE B – SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Summarized Information

The financial statements include certain prior-year summarized comparative information in total but not by asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U. S. Generally Accepted Accounting Principles. Accordingly, such information should be read in conjunction with United Way's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, time deposits, certificates of deposit and all highly liquid debt instruments and insured money market accounts with original maturities of three months or less. Cash equivalents also include the cash portion of investment funds held by brokerage firms.

Investments

Debt and equity securities with readily determinable fair values purchased for investment are recorded at fair value based on quoted market prices. Cost basis is determined on the date of purchase. Purchased investments are reported at fair market value. Donated investments are recorded at their fair market value on the date of donation. Investment income which includes interest, dividends, gains and losses on sales of securities and unrealized gains and losses from investment appreciation and depreciation are considered as unrestricted revenue.

Furniture, Fixtures and Equipment

Uses of funds for acquisitions of physical property and equipment are generally accounted for as net assets without donor restrictions. These properties are recorded at cost, if purchased or fair market value, if contributed. If contributors of property stipulate how long the assets must be used, the contributions are recorded as support with donor restrictions. In the absence of such stipulations, contributions of property and equipment are recorded as support without donor restrictions. The Organization has elected to capitalize those assets costing or having a fair market value at time of donation of \$1,000 or more. Depreciation is provided for on all classes of property and equipment using straight-line methods over estimated useful lives ranging from 3 to 10 years.

Income Taxes

United Way is exempt from federal income tax as an organization described in Section 501(c) (3) of the Internal Revenue Code. In accordance with the Internal Revenue Code, United Way of Martin County, Inc. is not considered a private foundation.

Donated Services and In-Kind Contributions

United Way records in-kind contributions at fair market values consistent with those amounts which would be paid for similar products and services. Donated services are reported as contributions when the services create or enhance non-financial assets, would be purchased if they had not been provided by contribution, require specialized skills and are provided by individuals possessing those skills.

United Way of Martin County, Inc.
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE B – SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Accounting 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Allocation of Expenses

The costs of providing the Organization's programs and supporting services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited. United Way allocates costs to the various functional expense categories based primarily upon the number of employees in each respective functional expense category.

NOTE C – CASH AND CASH EQUIVALENTS

Cash and cash equivalents total \$2,339,946 and \$1,968,926 at June 30, 2021 and 2020 and include \$1,651,572 and \$1,800,051, respectively in interest bearing accounts. The fair value of cash and cash equivalents approximates their carrying value at June 30, 2021 and 2020.

Deposits - Cash deposits are maintained at various financial institutions. At June 30, 2021 accounts are insured by the FDIC up to \$250,000 per financial institution regardless of whether they are interest bearing or not. The uninsured cash balances of United Way at June 30, 2021 and 2020 were \$640,119 and \$932,039. The uninsured balances are 100% collateralized by interests in obligations fully guaranteed as to principal and interest by the United States government or an agency thereof.

Cash equivalents - Included in cash equivalents are \$57,989 and \$347,930 of money market accounts at June 30, 2021 and 2020, respectively. These accounts are insured through the SIPC.

NOTE D – 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, 2021 are:

| | |
|---|---------------------|
| Financial Assets | |
| Cash | \$ 2,051,817 |
| Investments | 5,781,417 |
| Campaign receivables | 380,121 |
| Less financial assets held to meet donor imposed restrictions | <u>(4,640,137)</u> |
| Amount available for general expenditures within one year | <u>\$ 3,573,218</u> |

United Way of Martin County, Inc.
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE E - PLEDGES RECEIVABLE

The 2020 campaign pledge receivables are expected to be received within one year. The Endowment Campaign pledges to be received in future years are reported at the present value of their future cash flows. Carrying amounts of pledges receivable approximate their fair value. Concentrations of credit risk with respect to the 2020 campaign pledge receivables are limited due to the large number of donors and their dispersion across different industries. Campaign receivables at June 30, 2021 totaled \$380,121 net of managements allowance for uncollectible pledges of \$150,000. The Endowment Campaign pledges receivable total \$543,647 (net of discount) and that entire amount is concentrated among three donors. Management has evaluated Endowment Campaign pledge receivables and believes that all amounts will be collected from the three donors; therefore, no allowance for doubtful collections has been established related to the Endowment Campaign pledges.

NOTE F – INVESTMENTS

Debt and equity securities with readily determinable fair values purchased for investment are recorded at fair value based on quoted market prices. Net appreciation (depreciation) in the fair value of investments, which includes realized gains and losses and unrealized appreciation (depreciation) on those investments, is reported in the statement of activities. Cost basis is determined on the date of purchase.

Cost basis and approximate fair values of investment securities at June 30, 2021 and 2020 are summarized as follows:

| | June 30, 2021 | | |
|--------------------------|-----------------------|--|-----------------------|
| | Cost Basis | Net Unrealized Gains / (Losses) | Fair Value |
| Mutual Funds | \$ 3,108,713 | \$ 728,076 | \$ 3,836,789 |
| Exchange Traded Products | 1,599,417 | 344,878 | 1,944,295 |
| | <u>\$ 4,708,130</u> | <u>\$ 1,072,954</u> | <u>\$ 5,781,084</u> |
| | | | |
| | June 30, 2020 | | |
| | Cost Basis | Net Unrealized Gains / (Losses) | Fair Value |
| Mutual Funds | \$ 2,553,256 | \$ 220,788 | \$ 2,774,044 |
| Exchange Traded Products | 1,215,681 | 69,692 | 1,285,373 |
| | <u>\$ 3,768,937</u> | <u>\$ 290,480</u> | <u>\$ 4,059,417</u> |

The United Way, on occasion, receives short-term investments, generally consisting of stocks or bonds, from donors in satisfaction of pledges made. The organization sells the contributed investments as soon as is practical after receipt. At June 30, 2021 and 2020, substantially all of the investments had been sold.

United Way of Martin County, Inc.
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE F – INVESTMENTS (CONTINUED)

The composition of investment income included in the Statement of Activities and Changes in Net Assets is as follows:

| | |
|---|--------------------|
| Interest and dividends | \$ 68,175 |
| Net realized and unrealized gain on investments | <u>983,438</u> |
| | <u>\$1,051,613</u> |

Investment funds and securities held by brokerage institutions are insured by the Securities Investor Protection Corporation (SIPC) up to \$100,000 and \$500,000, respectively. The asset protection provided by the SIPC is not against losses from fluctuations in the value of the securities, but rather only if the brokerage firm ceases doing business. Investments subject to market risk of fluctuations in value at June 30, 2021 and 2020 include \$5,839,073 and \$4,407,347 in money market accounts, mutual funds and exchange traded products, respectively.

NOTE G – FAIR VALUE MEASUREMENTS

The Organization reports its fair value measures using a three-level hierarchy that prioritizes the inputs 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of inputs used to measure fair value are 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.

Level 2 – Inputs to the valuation methodology include: Quoted prices for similar assets or liabilities in active markets; Quoted prices for identical or similar assets or liabilities in inactive markets; Inputs other than quoted prices that are observable for the asset or liability; Inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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 June 30, 2021 and 2020.

Mutual funds and exchange traded products: Valued at the net asset value of shares held by the entity at year end, which approximates fair value.

United Way of Martin County, Inc.
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE G – FAIR VALUE MEASUREMENTS (CONTINUED)

Promises to give: Valued at the pledge amount discounted to the present value of the future cash flows to be received.

Assets measured at fair value as of June 30, 2021 on a recurring basis comprise the following:

| | Level 1 | Level 2 | Level 3 | Total |
|----------------------------|--------------|---------|------------|--------------|
| Mutual Funds | \$ 3,836,789 | \$ - | \$ - | \$ 3,836,789 |
| Exchange Traded Products | 1,944,295 | - | - | 1,944,295 |
| Total securities | 5,781,084 | - | - | 5,781,084 |
| Promises to give | - | - | 543,647 | 543,647 |
| Total Assets at Fair Value | \$ 5,781,084 | \$ - | \$ 543,647 | \$ 6,324,731 |

Level 3 Gains and Losses

The following table sets forth a summary of changes in the fair value of the entity's Level 3 assets for the fiscal year ended June 30, 2021.

Level 3 Assets Year Ended June 30, 2021

| | Beginning Balance 6/30/20 | Unrealized gains/losses relating to instruments still held at the reporting date | Purchases, Sales Issuances, and Settlements (net) | Ending Balance 6/30/21 |
|------------------|------------------------------|---|---|---------------------------|
| Promises to give | \$ 682,760 | \$ - | \$ (139,113) | \$ 543,647 |

Assets measured at fair value as of June 30, 2020 on a recurring basis comprise the following:

| | Level 1 | Level 2 | Level 3 | Total |
|----------------------------|--------------|---------|------------|--------------|
| Mutual Funds | \$ 2,774,044 | \$ - | \$ - | \$ 2,774,044 |
| Exchange Traded Products | 1,285,373 | - | - | 1,285,373 |
| Total securities | 4,059,417 | - | - | 4,059,417 |
| Promises to give | - | - | 682,760 | 682,760 |
| Total Assets at Fair Value | \$ 4,059,417 | \$ - | \$ 682,760 | \$ 4,742,177 |

United Way of Martin County, Inc.
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE G – FAIR VALUE MEASUREMENTS (CONTINUED)

Level 3 Assets Year Ended June 30, 2020

| | Beginning Balance 6/30/19 | Unrealized gains/losses relating to instruments still held at the reporting date | Purchases, Sales Issuances, and Settlements (net) | Ending Balance 6/30/20 |
|------------------|---------------------------------|---|---|------------------------------|
| Promises to give | \$ 804,508 | \$ - | \$ (121,748) | \$ 682,760 |

Generally, for mutual funds and exchange traded products, which are considered as available for sale, fair value is determined by reference to quoted market prices and other relevant information generated by market transactions (Level 1). The Organization does not hold significant assets recorded at fair value using other observable inputs (Level 2) for the year ended June 30, 2021 or 2020. Other assets held and used are not considered significant to the financial statements as a whole and are not disclosed above. The fair value of loans and other long-term debt is determined by reference to quoted market prices and other market information for similar assets.

NOTE H – FURNITURE, FIXTURES AND EQUIPMENT

Fixed assets consisted of the following as of June 30, 2021 and 2020:

| | 2021 | 2020 |
|---------------------------------------|-----------|-----------|
| Furniture | \$ 17,953 | \$ 17,953 |
| Office equipment | 20,556 | 19,276 |
| Building sign | 8,716 | 8,195 |
| Data processing equipment | 41,795 | 40,567 |
| Data processing software | 19,266 | 37,985 |
| | 108,286 | 123,976 |
| Less accumulated depreciation | 91,744 | 107,229 |
| Net furniture, fixtures and equipment | \$ 16,542 | \$ 16,747 |

NOTE I - COMPENSATED ABSENCES

Employees of United Way are entitled to paid vacation and paid sick days. Annual vacation is accrued based on completed years of employment with United Way. Upon resignation, death, termination or retirement, employees are paid in one lump sum for accrued vacation as of the last day of employment. The amount of unused vacation earned was \$32,200 and \$34,490, as of June 30, 2021 and 2020, respectively.

Employees are granted a certain number of hours for sick leave each year. Sick time may be accrued up to 30 days or 240 hours. All unused sick time will be forfeited upon separation of employment therefore no accrual was made at June 30, 2021 and 2020.

United Way of Martin County, Inc.
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE J - RETIREMENT PLAN

United Way sponsors a retirement plan that covers all full-time employees. Board discretionary contributions to the plan are based on a percentage of the employee's salary. For the year ended June 30, 2021, the board approved discretionary contribution amount was 5 percent. Additionally, employees deferring compensation into the plan received up to an optional 3 percent match. For the year ended June 30, 2021, pension expense was \$44,851.

NOTE K – LEASES

The Organization has committed to an office space lease for a term of five years, ending on August 31, 2025, unless extended by agreement of the parties in accordance with the terms of the lease. The lease will start with a base monthly payment of \$5,867 and will increase yearly culminating with base monthly payments of \$7,193 in the final year of the lease.

Future minimum rental payments are as follows:

| | |
|------------------------------|-------------------|
| Fiscal Year ending June 30, | |
| 2022 | 74,064 |
| 2023 | 80,266 |
| 2024 | 83,390 |
| 2025 | 85,896 |
| 2026 & After | 14,386 |
| Total minimum future rentals | <u>\$ 338,002</u> |

Rent expense was \$72,820 for the year ended June 30, 2021.

NOTE L – COMMUNITY SERVICE PROGRAMS

The Organization provides community services programs in addition to the support it provides to the member agencies.

1. Volunteer United
Volunteer United delivers creative solutions to community problems by mobilizing people and resources through collaborative efforts. United Way continues to sponsor RSVP (Retired Senior Volunteer Program) through a federal grant from the Corporation for National and Community Service which provides for intergenerational programs that allow the strengths of one generation to meet the needs of another. Additionally, Volunteer United provides corporate and individual volunteer opportunities through Day of Caring events. Additional revenue for Volunteer United comes from United Way allocations, local grants, corporate sponsorships, and designated contributions.

United Way of Martin County, Inc.
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE L – COMMUNITY SERVICE PROGRAMS (CONTINUED)

2. United Way Holiday Project

The United Way Holiday Project (formerly known as White Doves) is a community wide effort to coordinate the distribution of food and toys to qualifying disadvantaged families for the holidays. United Way also serves as the sponsoring organization for the Toys for Tots program in Martin County. Expenses relate to purchases of food, bikes, toys, and direct project expenses. The United Way holiday project provided specific assistance totaling \$955 to Martin County families during the year ended June 30, 2021.

3. Community Impact Initiatives

United Way convenes and participates in multiple task forces, networks and councils within diverse community sectors in an effort to identify, measure and track factors associated with the quality of life in Martin County so that community resources are allocated wisely.

4. Community Fund Distribution

The Community Fund Distribution process considers all available resources and community needs for human care services in the allocation of United Way Funds. Volunteers review, assess and monitor agency operations and programs to ensure that donor contributions are well spent. For year ended June 30, 2021, approximately 617 volunteer hours were spent on the Community Fund Distribution process.

5. Other Direct Program Services

The Volunteer Income Tax Assistance (VITA) program offers free income tax preparation by IRS trained volunteers for Martin County residents meeting the Earned Income Tax Credit (EITC) guidelines.

Through its Tools for Success program United Way provides needed school supplies directly to each classroom of all Title 1 schools in Martin County so that every student can start the school year equipped with the required materials without putting the burden of these expenses on the families.

Through its CHARACTER COUNTS! Program, United Way provides character education resources to Martin County schools and sponsors the annual Joe Kordick Youth Character Awards recognizing graduating seniors and 8th graders who have exhibited exemplary character.

United Way also provides information and referral services for residents that call or walk into our office; conducts community conversations to educate the public and discuss pertinent topics impacting our community; and manages the Leaders United Program which provides education, awareness and community outreach opportunities to participants.

United Way of Martin County, Inc.
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE M – GRANTS FROM GOVERNMENTAL AGENCIES

RSVP

United Way entered into agreements with the Corporation for National & Community Service to administer grant funds received in accordance with the grant applications as negotiated. The period of performance for all activities under the grants originally continued until August 29, 2012. The agreements have since been extended to June 30, 2022 and can be continued additionally through agreement by and between the parties. During the year ended June 30, 2021, United Way received \$96,344 under these agreements. Matching requirements were waived for the year ended June 30, 2021.

NOTE N – DESIGNATIONS FROM CONTRIBUTORS

Total campaign results include local campaign pledges that are unrestricted as well as local campaign pledges restricted by donors (donor choice) in which United Way acts as an agent. These designations were to funded partners and non-funded agencies and other United Ways. Such donations are recorded in the accompanying financial statements for the year ended June 30, 2021 as local campaign receipts and deducted as amounts raised on behalf of others as follows:

| | |
|---------------------|-------------------|
| Funded partners | \$ 166,680 |
| Non-funded agencies | 113,609 |
| Other United Ways | 129,240 |
| | <u>\$ 409,529</u> |

The remaining liability was reported as designations payable at June 30, 2021 and payments were made in April 2021 and will be made in July 2021, October 2021 and February 2022.

NOTE O – DISTRIBUTION OF UNITED WAY FUNDS

United Way funds funded partners on a July 1 - June 30 funding cycle. Generally, allocations are paid in four quarterly installments. The United Way Board of Directors has approved allocation commitments to funded partners for payment during the twelve months ending June 30, 2022 amounting to \$898,417. Accordingly, the total liability of \$898,417 was accrued as of June 30, 2021. Listed below are allocations to funded partners for the 2021-2022 funding cycle.

Funded Partners / Program Allocations

Agency

| | |
|--|-----------|
| Gertrude Walden Child Care Center | \$ 68,000 |
| SafeSpace | 50,000 |
| Alzheimer's Community Care (FNC) | 50,000 |
| Boys & Girls Club of MC | 45,000 |
| House of Hope (Project Hope) | 45,000 |
| House of Hope (Pantry) | 35,000 |
| Martin County Healthy Start Coalition (Client Services & Delivery) | 32,000 |
| 2-1-1 of the Treasure Coast | 30,000 |

United Way of Martin County, Inc.
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE O – DISTRIBUTION OF UNITED WAY FUNDS (CONTINUED)

Funded Partners / Program Allocations (Continued)

| | |
|--|--------|
| ARC of Martin County (ABLE Program) | 29,925 |
| Helping People Succeed (HPS) (Baby Steps) | 28,000 |
| Alzheimer's Community Care (Specialized Day Care) | 28,000 |
| The Salvation Army (Compassion House) | 25,000 |
| Martin County School District (Getting Ready for K) | 25,000 |
| Helping People Succeed | 22,500 |
| Hope Rural School | 22,000 |
| Council on Aging (Adult Day Health Program) | 20,592 |
| ARC/HPS/MCSD (Project Search) | 20,000 |
| Children's Emergency Resources | 20,000 |
| Hobe Sound Early Learning Center (Increase School Readiness) | 20,000 |
| House of Hope (Golden Gate | 20,000 |
| Tykes & Teens (YES Program) | 20,000 |
| D.A.T.A. | 17,600 |
| Project Lift (Substance Abuse) | 17,250 |
| Caring Children/Clothing Children | 15,000 |
| Catholic Charities | 15,000 |
| Light of the World Charities | 15,000 |
| Mary's Home (Work Readiness Program) | 15,000 |
| Suncoast Mental Health | 15,000 |
| Project Lift (Transportation/Employment Support) | 14,750 |
| The Salvation Army (Basic Needs) | 14,000 |
| ARC of Martin County (Youth After School Camp) | 12,500 |
| Caring Children/Clothing Children (Reading on Wheels) | 10,000 |
| Council on Aging (Meals on Wheels Program) | 10,000 |
| Hibiscus Children's Center (Shelter Literacy Program) | 10,000 |
| Tykes & Teens (Social Communicative Competence Program) | 10,000 |
| Project Lift (Pre-Apprenticeship Program) | 9,750 |
| Dunbar Child Care Center | 7,500 |
| Life Builders (Building Lives, Protecting Community) | 7,500 |
| Epilepsy Foundation of Florida | 6,500 |
| Hope Center for Autism (Camp Scholarships) | 5,150 |
| Children's Home Society (Children in Need of Services) | 5,000 |
| YMCA (Indiantown Soccer) | 5,000 |
| Humane Society of the Treasure Coast | 4,900 |

Liability for Funds Allocated to Funded Partners

898,417

United Way of Martin County, Inc.
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE O – DISTRIBUTION OF UNITED WAY FUNDS (CONTINUED)

Special Program Allocations

| | |
|--------------------------|---------------|
| COVID Relief | 41,451 |
| Disaster Relief | 4,603 |
| Publix Emergency Funding | 9,464 |
| | <u>55,518</u> |

Funds Allocated to Internal Programs

Program

| | |
|-------------------|---------------|
| Volunteer United | 57,407 |
| RSVP | 1,842 |
| Tools for Success | 4,505 |
| | <u>63,754</u> |

Foundation Distributions

| | |
|---------------------------------|---------------|
| Lichtenberger Endowment – UWSLC | <u>72,281</u> |
|---------------------------------|---------------|

| | |
|---|----------------------------|
| Total Distribution of United Way Funds | <u><u>\$ 1,089,970</u></u> |
|---|----------------------------|

NOTE P – PAYMENTS TO AFFILIATED ORGANIZATIONS

United Way of Martin County, Inc. made payments to affiliated organizations for the year ended June 30, 2021 as follows:

| | |
|-----------------------|-----------------------------|
| United Way of America | \$ 32,466 |
| United Way of Florida | <u>5,382</u> |
| Total | <u><u>\$ 37,848</u></u> |

United Way of Martin County, Inc.
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE Q - NET ASSETS

Net assets with donor restrictions are available for the following purposes at June 30, 2021:

| | |
|------------------------------|---------------------|
| Time Restrictions | \$ 1,043,647 |
| Disaster Relief | 44,077 |
| Donor Advised | 58,770 |
| Shared Services Network | 58,585 |
| 2021/2022 Campaign | 3,100 |
| Other Grants and Programs | 167,595 |
| United Way Holiday Project | 43,262 |
| Perpetual Donor Restrictions | 3,216,919 |
| | <u>\$ 4,635,955</u> |

Net assets were released from donor/grantor restrictions by incurring expenses satisfying the purpose or time restrictions specified as follows:

| | |
|--|---------------------|
| | <u>2021</u> |
| CARES Act Assistance | \$ 3,979,678 |
| CHARACTER COUNTS! | 17,081 |
| Retired and Senior Volunteer Program | 96,344 |
| Earnings on Restricted Investments | 375,181 |
| Disaster Relief | 58,994 |
| Other Grants, Initiatives and Programs | 16,212 |
| | <u>\$ 4,543,490</u> |

Unrestricted net assets consist of the following:

| | |
|-------------------------------|---------------------|
| | <u>2021</u> |
| United Way Foundation | \$ 2,204,308 |
| Unrestricted and undesignated | 664,697 |
| Designated for Emergencies | 200,000 |
| | <u>\$ 3,069,005</u> |

NOTE R - DONATED SERVICES

While a substantial number of volunteers have donated their time in the Organization's program services and fundraising campaigns, these services do not create or enhance non-financial assets nor do they require specialized skills that if not provided by a volunteer would be purchased. Accordingly, while these services contribute to the success of the Organization, they have not been reflected in the accompanying financial statements.

United Way of Martin County, Inc.
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE S – ENDOWMENT

FASB ASC 958-205 provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). FASB ASC 958-205 also requires additional disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds) whether or not the organization is subject to UPMIFA. The State of Florida enacted UPMIFA effective July 1, 2012 and applied to this organization for the 2012/2013 fiscal year.

During the year ended June 30, 2013 the Organization adopted the provisions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) in accordance with the requirements of the State of Florida and FASB 958-205. UPMIFA requires the historical dollar amount of a donor-restricted endowment fund to be preserved. In the absence of donor restrictions, the net appreciation on a donor-restricted endowment fund is spendable under UPMIFA. The Organization's donors have not placed restrictions on the use of investment income or net appreciation resulting from the donor-restricted endowment funds.

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to functions supported by its endowment while seeking to maintain the purchasing power of these endowment assets over the long-term. The Organization's spending and investing policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. To satisfy its long-term rate of return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places an emphasis on investments to achieve its long-term return objectives within prudent risk parameters. The spending policy establishes prudent objectives for the uses and purposes for which the endowment fund is established, consistent with the goal of conserving the purchasing power of the endowment. In making its decisions, the Organization uses reasonable care, skill, and caution in considering the purposes of the Organization, the intent of the donors of the endowment, the terms of applicable instruments, the long-term and short-term needs of the Organization in carrying out its purposes, the general economic conditions, the possible effect of inflation or deflation, or other resources of the Organization, and perpetuation of the endowment.

Endowment net asset composition by type of fund as of June 30, 2021 is as follows:

| | Unrestricted | Donor Restrictions | Total |
|--|--------------|-----------------------|--------------|
| Donor-restricted endowment funds and appreciation | \$ 2,204,308 | \$ 4,260,566 | \$ 6,464,874 |

United Way of Martin County, Inc.
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 5 – ENDOWMENT (CONTINUED)

Changes in endowment net assets as of June 30, 2021 are as follows:

| | Unrestricted | Donor Restrictions | Total |
|--|---------------------|-----------------------|---------------------|
| Endowment net assets, beginning of year | \$ 1,271,276 | \$ 3,736,452 | \$ 5,007,728 |
| Contributions/Events | 612,229 | 221,000 | 833,229 |
| Investment income, net | 465,314 | 585,181 | 1,050,495 |
| Appropriated/Released | (144,511) | (282,067) | (426,578) |
| Endowment net assets, end of year | <u>\$ 2,204,308</u> | <u>\$ 4,260,566</u> | <u>\$ 6,464,874</u> |

Endowment net asset composition by type of fund as of June 30, 2020 is as follows:

| | Unrestricted | Donor Restrictions | Total |
|--|---------------------|-----------------------|---------------------|
| Donor-restricted endowment funds and appreciation | <u>\$ 1,271,276</u> | <u>\$ 3,736,452</u> | <u>\$ 5,007,728</u> |

Changes in endowment net assets as of June 30, 2020 are as follows:

| | Unrestricted | Donor Restrictions | Total |
|--|---------------------|-----------------------|---------------------|
| Endowment net assets, beginning of year | \$ 1,222,131 | \$ 3,654,427 | \$ 4,876,558 |
| Contributions/Events | 52,050 | 146,000 | 198,050 |
| Investment income, net | 67,774 | 115,246 | 183,020 |
| Appropriated/Released | (70,679) | (179,221) | (249,900) |
| Endowment net assets, end of year | <u>\$ 1,271,276</u> | <u>\$ 3,736,452</u> | <u>\$ 5,007,728</u> |

United Way of Martin County, Inc.
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE T – UNITED WAY ADMINISTRATIVE EXPENSES

Campaign expenses as a percentage of total public support raised for United Way of Martin County, Inc. and United Way of Martin County Foundation, Inc. combined was 11.49% for the year ended June 30, 2021. United Way combined administrative expense as a percentage of total revenue was 5.58% for the year ended June 30, 2021.

Campaign and marketing percentages were calculated by dividing the total fundraising expenses (campaign and marketing expenses on page 5) before depreciation by total public support (page 5) plus pass thru funds raised on behalf of other organizations. Administrative percentages were calculated by dividing total United Way supporting services expenses (page 5) before depreciation expense by total support and revenue (page 5) plus pass-thru funds raised on behalf of other organizations. Computation of these amounts is presented below.

Campaign and marketing expenses as a percentage of net public support

| | | |
|----|---|---------------------|
| A. | Total Public Support (page 5) | \$ 2,166,945 |
| | Add: Pass thru funds raised on behalf of other organizations | <u>411,885</u> |
| | Adjusted total Public Support | <u>\$ 2,578,830</u> |
| B. | Campaign and Marketing | \$ 299,836 |
| | Less: Depreciation | <u>3,574</u> |
| | Adjusted total Campaign and Marketing expenses | <u>\$ 296,262</u> |
| | Campaign expenses as a percentage of total public support (B. divided by A.) | <u>11.49%</u> |

United Way Administrative expense as a percentage of total revenue

| | | |
|----|---|---------------------|
| A. | Total Support and Revenue (page 5) | \$ 8,042,544 |
| | Add: Pass thru funds raised on behalf of other Organizations, net of administrative fees | <u>409,529</u> |
| | Adjusted Support and Revenues | <u>\$ 8,452,073</u> |
| B. | Total United Way Support Services (page 5) | |
| | Campaign and Marketing | \$ 299,836 |
| | Management & General | <u>178,565</u> |
| | | 478,401 |
| | Less: Depreciation | <u>6,661</u> |
| | | <u>\$ 471,740</u> |
| | United Way Administrative expense as a percentage of total revenue (B. divided by A.) | <u>5.58%</u> |

United Way of Martin County, Inc.
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE U – MANAGEMENT’S REVIEW OF SUBSEQUENT EVENTS

In preparing the financial statement information, management has evaluated events and transactions for potential recognition or disclosure through October 21, 2021, the date the financial statements were available to be issued.

NOTE V – INCOME TAXES

The organization has adopted accounting policies required for uncertainty in income tax positions. The policies follow accounting guidance which clarifies the accounting and recognition for tax positions taken or expected to be taken in its income tax returns. The organization’s tax filings are subject to audit by various taxing authorities. The organization’s federal income tax returns for June 30, 2020, 2019 and 2018 remain open to examination by the Internal Revenue Service. In evaluating the organization’s tax provisions, management believes that any estimates are appropriately based on current facts and circumstances.

NOTE W – CARES ACT ASSISTANCE

In the fiscal year 2020/2021, the Organization entered into Memorandum’s of Agreement (MOA) with Martin County for the administration of the Martin County CARES Act personal assistance grants to assist residents in Martin County who have experienced financial hardship due to the Coronavirus Disease 2019. The MOA’s assisted residents with rent, mortgage payments, utility bills and unexpected funeral costs associated with COVID-19. In addition, the MOA’s assisted local nonprofit agencies and nonprofit food pantries for the free distribution of food to residents of Martin County. Payments under the CARES Act Grants were used for covered expenses incurred during the period from March 1, 2020 to December 31, 2020. Revenues recorded from the CARES Act totaled \$3,979,678 and expenses disbursed totaled \$3,979,678.

NOTE X – PAYCHECK PROTECTION PROGRAM

In April 2020, the Organization was granted funding in the original form of a loan in the aggregate amount of \$152,500, pursuant to the Paycheck Protection Program (the “PPP”). Funds from the loan were used for qualifying expenses which included payroll costs, mortgage payments, rent, utilities, and interest on other debt obligations incurred before February 15, 2021. Under the terms of the PPP, the loan can be forgiven if the funds are used for qualifying expenses. The Organization used the funds for qualifying expenses, applied for and received forgiveness, and has reclassified the loan funds as revenue in fiscal year 2021.

NOTE Y – COVID-19

In January 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and in March 2020 declared it to be a pandemic. Actions taken to help mitigate the spread include restrictions on travel, quarantines in certain areas, and forced closures of certain types of public places and businesses. The coronavirus and actions taken to mitigate it are expected to continue and may have an economic impact on the Organization. It is unknown how long these conditions will last and what, if any, the financial effect will be.

SUPPLEMENTARY INFORMATION

United Way of Martin County, Inc.
COMBINING SCHEDULE OF FINANCIAL POSITION
June 30, 2021

| | United Way of Martin County, Inc. | United Way of Martin County Foundation, Inc. | Total |
|---|---|--|-------------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | \$ 1,756,039 | \$ 295,778 | \$ 2,051,817 |
| Receivables | | | |
| Campaign receivable, net of allowance of \$150,000 for 2021 and \$182,000 for 2020 | 380,121 | - | 380,121 |
| Endowment receivable, net of discount | - | 139,113 | 139,113 |
| Other receivables | 12,835 | 4,500 | 17,335 |
| Prepaid expenses | 91,404 | 1,517 | 92,921 |
| Total current assets | <u>2,240,399</u> | <u>440,908</u> | <u>2,681,307</u> |
| Furniture, fixtures and equipment net of accumulated depreciation | 16,542 | - | 16,542 |
| Security deposit | 10,963 | - | 10,963 |
| Endowment receivable, net of discount | - | 404,534 | 404,534 |
| Long-term investments | - | 5,781,084 | 5,781,084 |
| Total assets | <u>\$ 2,267,904</u> | <u>\$ 6,626,526</u> | <u>\$ 8,894,430</u> |
| Liabilities and Net Assets | | | |
| Current liabilities | | | |
| Allocations payable and other accrued liabilities | <u>\$ 1,108,838</u> | <u>\$ 80,632</u> | <u>\$ 1,189,470</u> |
| Net assets | | | |
| Without donor restrictions | | | |
| Undesignated | 664,697 | 2,204,308 | 2,869,005 |
| Designated | 200,000 | - | 200,000 |
| With donor restrictions | 294,369 | 4,341,586 | 4,635,955 |
| Total net assets | <u>1,159,066</u> | <u>6,545,894</u> | <u>7,704,960</u> |
| Total liabilities and net assets | <u>\$ 2,267,904</u> | <u>\$ 6,626,526</u> | <u>\$ 8,894,430</u> |

United Way of Martin County, Inc.
COMBINING SCHEDULE OF ACTIVITIES
For the year ended June 30, 2021

| | United Way of Martin County, Inc. | United Way of Martin County Foundation, Inc. | Total |
|--|---|--|--------------|
| Support and revenues | | | |
| Public support: | | | |
| Campaign results | | | |
| Annual Campaign | \$ 2,625,308 | \$ 591,717 | \$ 3,217,025 |
| Less: Amounts raised on behalf of others | (409,529) | - | (409,529) |
| Less: Provision for uncollected pledge losses | (150,000) | - | (150,000) |
| Net campaign revenues | 2,065,779 | 591,717 | 2,657,496 |
| Disaster relief | - | - | - |
| Special events | 35,949 | 23,500 | 59,449 |
| Total public support | 2,101,728 | 615,217 | 2,716,945 |
| Revenues and grants from governmental agencies: | | | |
| CARES Act Assistance | 3,979,678 | - | 3,979,678 |
| Grant - Retired and Senior Volunteer Service | 96,344 | - | 96,344 |
| Total grants from governmental agencies | 4,076,022 | - | 4,076,022 |
| Other revenues and support: | | | |
| Other grants | 11,250 | - | 11,250 |
| Other revenues | | | |
| Investment income | 1,118 | 1,050,495 | 1,051,613 |
| In-Kind goods and services | 58,056 | - | 58,056 |
| Other income | 307,848 | 58,012 | 365,860 |
| CARES Act administrative revenue | 351,584 | - | 351,584 |
| Administrative fees on amounts raised on behalf of others | 2,356 | - | 2,356 |
| Total other revenues | 720,962 | 1,108,507 | 1,829,469 |
| Total support and revenues | 6,909,962 | 1,723,724 | 8,633,686 |
| Expenses | | | |
| Program services | | | |
| Community program services | 6,226,135 | 72,281 | 6,298,416 |
| Supporting services | | | |
| Management and general | 178,565 | - | 178,565 |
| Campaign and marketing | 226,704 | 114,274 | 340,978 |
| Total supporting services | 405,269 | 114,274 | 519,543 |
| Total expenses | 6,631,404 | 186,555 | 6,817,959 |
| Change in net assets | 278,558 | 1,537,169 | 1,815,727 |
| Net Assets - July 1, 2020 | 880,508 | 5,008,725 | 5,889,233 |
| Net Assets - June 30, 2021 | \$ 1,159,066 | \$ 6,545,894 | \$ 7,704,960 |

United Way of Martin County, Inc.
COMBINING SCHEDULE OF FINANCIAL POSITION
June 30, 2020

| | United Way of Martin County, Inc. | United Way of Martin County Foundation, Inc. | Total |
|---|---|--|---------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | \$ 1,582,864 | \$ 352,767 | \$ 1,935,631 |
| Receivables | | | |
| Campaign receivable, net of allowance of \$100,000 for 2019 and \$100,000 for 2018 | 428,081 | - | 428,081 |
| Endowment receivable, net of discount | - | 121,748 | 121,748 |
| Other receivables | 12,806 | 2,500 | 15,306 |
| Prepaid expenses | 51,604 | 1,455 | 53,059 |
| Total current assets | 2,075,355 | 478,470 | 2,553,825 |
| Furniture, fixtures and equipment net of accumulated depreciation | 16,747 | - | 16,747 |
| Security deposit | 10,963 | - | 10,963 |
| Endowment receivable, net of discount | - | 561,012 | 561,012 |
| Long-term investments | - | 4,059,417 | 4,059,417 |
| Total assets | \$ 2,103,065 | \$ 5,098,899 | \$ 7,201,964 |
| Liabilities and Net Assets | | | |
| Current liabilities | | | |
| Allocations payable and other accrued liabilities | \$ 1,222,557 | \$ 90,174 | \$ 1,312,731 |
| Net assets | | | |
| Without donor restrictions | | | |
| Undesignated | 470,035 | 1,271,276 | 1,741,311 |
| Designated | 200,000 | - | 200,000 |
| With donor restrictions | 210,473 | 3,737,449 | 3,947,922 |
| Total net assets | 880,508 | 5,008,725 | 5,889,233 |
| Total liabilities and net assets | \$ 2,103,065 | \$ 5,098,899 | \$ 7,201,964 |

United Way of Martin County, Inc.
COMBINING SCHEDULE OF ACTIVITIES
For the year ended June 30, 2020

| | United Way of Martin County, Inc. | United Way of Martin County Foundation, Inc. | Total |
|---|---|--|--------------|
| Support and revenues | | | |
| Public support: | | | |
| Campaign results | | | |
| Annual Campaign | \$ 2,316,076 | \$ 30,340 | \$ 2,346,416 |
| Less: Amounts raised on behalf of others | (412,298) | - | (412,298) |
| Less: Provision for uncollected pledge losses | (182,000) | - | (182,000) |
| Net campaign revenues | 1,721,778 | 30,340 | 1,752,118 |
| Special events | 259,974 | - | 259,974 |
| Total public support | 63,392 | 22,250 | 85,642 |
| | 2,045,144 | 52,590 | 2,097,734 |
| Revenues and grants from governmental agencies: | | | |
| Grant - Retired and Senior Volunteer Service | 66,673 | - | 66,673 |
| Other revenues and support: | | | |
| Other grants | 14,500 | - | 14,500 |
| Other revenues | | | |
| Investment income | | | |
| In-Kind goods and services | 12,332 | 183,020 | 195,352 |
| Other income | 35,730 | - | 35,730 |
| Administrative fees on amounts raised on behalf of others | 106,801 | - | 106,801 |
| Total other revenues | 2,771 | - | 2,771 |
| | 157,634 | 183,020 | 340,654 |
| Total support and revenues | 2,283,951 | 235,610 | 2,519,561 |
| Expenses | | | |
| Program services | | | |
| Community program services | 1,707,054 | 81,970 | 1,789,024 |
| Supporting services | | | |
| Management and general | | | |
| Campaign and marketing | 134,810 | - | 134,810 |
| Total supporting services | 302,000 | 127,966 | 429,966 |
| | 436,810 | 127,966 | 564,776 |
| Total expenses | 2,143,864 | 209,936 | 2,353,800 |
| Change in net assets | 140,087 | 25,674 | 165,761 |
| Net Assets - July 1, 2019 | 740,421 | 4,983,051 | 5,723,472 |
| Net Assets - June 30, 2020 | \$ 880,508 | \$ 5,008,725 | \$ 5,889,233 |

United Way of Martin County, Inc.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2021

| FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE | PROGRAM YEAR | FUNDING AGREEMENT # | FEDERAL CFDA # | FUNDING PERIOD | TOTAL EXPENDED | DISBURSED TO SUBRECIPIENTS |
|--|-----------------|------------------------|-------------------|-------------------|---------------------|-------------------------------|
| UNITED STATES DEPARTMENT OF THE TREASURY | | | | | | |
| PASS-THROUGH FROM MARTIN COUNTY, FLORIDA: | | | | | | |
| CORONAVIRUS RELIEF FUND - FOOD RELIEF PROGRAM | 2020/2021 | Y2281 | 21.019 | 03/01/20-12/30/20 | \$ 664,189 | \$ - |
| CORONAVIRUS RELIEF FUND - MENTAL HEALTH PROGRAM | 2020/2021 | Y2281 | 21.019 | 10/14/20-12/30/20 | 469,617 | 469,617 |
| CORONAVIRUS RELIEF FUND - PERSONAL ASSISTANCE PROGRAM | 2020/2021 | Y2281 | 21.019 | 03/01/20-12/30/20 | 2,802,250 | - |
| TOTAL U.S. DEPARTMENT OF THE TREASURY | | | | | <u>3,936,056</u> | <u>469,617</u> |
| CORPORATION FOR NATIONAL AND COMMUNITY SERVICE | | | | | | |
| RETIRED AND SENIOR VOLUNTEER PROGRAM | 2020/2021 | 18SRSFL007 | 94.002 | 07/01/20-6/30/21 | 91,344 | - |
| RETIRED AND SENIOR VOLUNTEER PROGRAM - PANDEMIC AUGMENTATION | 2020/2021 | 18SRSFL007 | 94.002 | 07/01/20-6/30/21 | 5,000 | - |
| | | | | | <u>96,344</u> | <u>-</u> |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | | | <u>\$ 4,032,400</u> | <u>\$ 469,617</u> |

United Way of Martin County, Inc.
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
For the Year Ended June 30, 2021

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal award activity of the United Way of Martin County, Inc. under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of the United Way of Martin County, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of the United Way of Martin County, Inc.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – PROGRAM CLUSTERS

The Uniform Guidance defines a cluster of programs as a grouping of closely related programs that share common compliance requirements. According to this definition, similar programs deemed to be a cluster of programs are considered to be one program and are tested accordingly.

NOTE 4 – SUB-RECIPIENT MONITORING

The United Way of Martin County, Inc. has provided federal award assistance to subrecipients. For funded partners the United Way of Martin County, Inc. implements annual site visits, management interviews and inspection and review of financial information, including audit reports and management letters. For other subrecipients, management reviews financial information, including audit reports, management letters or other relevant information.

NOTE 5 – CONTINGENCIES

Amounts received, or receivable, from grantor agencies are subject to audit and adjustment by grantor agencies. If any expenditures are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the United Way of Martin County, Inc. In the opinion of Management, any such adjustment would not be significant.

**United Way of Martin County, Inc.
Schedule of Findings and Questioned Costs –
Federal Programs
For the Year Ended June 30, 2021**

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

| | | |
|---|-----------|------------------------------|
| Material weakness(es) identified? | _____ Yes | _____ <u>X</u> No |
| Significant deficiency(ies) identified? | _____ Yes | _____ <u>X</u> None reported |
| Noncompliance material to financial statements noted? | _____ Yes | _____ <u>X</u> No |

Federal Awards

Internal Control over major programs/projects:

| | | |
|---|-----------|---------------------|
| Material weakness(es) identified? | _____ Yes | _____ <u>X</u> No |
| Significant deficiency(ies) identified? reported | _____ Yes | _____ <u>X</u> None |

Type of auditor's report issued on compliance for major federal programs and state projects: Unmodified

| | | |
|--|-----------|-------------------|
| Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? | _____ Yes | _____ <u>X</u> No |
|--|-----------|-------------------|

Identification of major programs/projects:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program(s) or Cluster</u> |
|-----------------------|--|
| 21.019 | Coronavirus Relief Fund |

Dollar threshold used to distinguish between Type A and B Federal Programs: \$750,000

| | | |
|---|-----------|-------------------|
| Auditee qualified as low-risk auditee Pursuant to the Uniform Guidance? | _____ Yes | _____ <u>X</u> No |
|---|-----------|-------------------|

**United Way of Martin County, Inc.
Schedule of Findings and Questioned Costs –
Federal Programs
For the Year Ended June 30, 2021**

FINDINGS – FINANCIAL STATEMENTS

No reportable findings.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAMS

No reportable findings.

OTHER ISSUES – SUMMARY OF PRIOR AUDIT FINDINGS

There were no audit findings for the year ended June 30, 2020, as a Federal Single Audit was not required.



Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Directors
United Way of Martin County, Inc.
Stuart, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America, the financial statements of the United Way of Martin County, Inc., which comprise the statement of financial position as of June 30, 2021 and the related statements of activities, functional expenses and cash flows for the year then ended, and have issued our report thereon dated October 21, 2021.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the United Way of Martin County, Inc.'s internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the United Way of Martin County, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the United Way of Martin County, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



The Board of Directors
United Way of Martin County, Inc.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. During our audit, we noted no deficiencies, significant deficiencies or material weaknesses in internal control over financial reporting.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the United Way of Martin County, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

October 21, 2021



Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Board of Directors
United Way of Martin County, Inc.
Stuart, Florida

Report on Compliance for Each Major Federal Program

We have audited the United Way of Martin County, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the United Way of Martin County, Inc.'s major Federal programs for the year ended June 30, 2021. The United Way of Martin County, Inc.'s major Federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with Federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its Federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program or State project occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of the Organization's compliance.



The Board of Directors
United Way of Martin County, Inc.

Opinion on Each Major Federal Program

In our opinion, the United Way of Martin County, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the United Way of Martin County, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the United Way of Martin County, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the United Way of Martin County, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies. During our audit, we noted no deficiencies, significant deficiencies or material weaknesses in internal control over compliance.



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

The Board of Directors
United Way of Martin County, Inc.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Berger Toombs Elam
Gaines & Frank*

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

October 21, 2021