UNITED WAY OF MONTEREY COUNTY

Financial Report

Years ended June 30, 2021 and 2020

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HUTCHINSON and BLOODGOOD LLP
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
United Way of Monterey County
Monterey, California

We have audited the accompanying financial statements of United Way of Monterey County (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 Monterey County as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required By Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2021, on our consideration of United Way of Monterey County's internal control over financial reporting and on our tests of its 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 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 United Way of Monterey County's internal control over financial reporting and compliance.

Hutchinson and Bloodgood LLP

October 28, 2021

UNITED WAY OF MONTEREY COUNTY

STATEMENT OF FINANCIAL POSITION
June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$ 6,165,309	$ 383,482	**$ 6,548,791**
Pledges receivable, less allowance of $148,000	317,099	--	**317,099**
Grants and accounts receivable	5,382,524	27,500	**5,410,024**
Prepaid expenses	82,484	--	**82,484**
Total current assets	11,947,416	410,982	**12,358,398**
PROPERTY AND EQUIPMENT, at cost			
Furniture and equipment	186,089	--	**186,089**
Less accumulated depreciation	170,157	--	**170,157**
	15,932	--	**15,932**
OTHER ASSETS			
Beneficial interest in assets held by others	777,445	359,587	**1,137,032**
Security deposits	4,709	--	**4,709**
	782,154	359,587	**1,141,741**
	$ 12,745,502	$ 770,569	**$ 13,516,071**

The notes to financial statements are an integral part of this statement.

UNITED WAY OF MONTEREY COUNTY

STATEMENT OF FINANCIAL POSITION
June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	$ 94,837	$ --	**$ 94,837**
Grants payable, current	150,000	--	**150,000**
Accrued expenses	98,496	--	**98,496**
Designated pledges payable	13,763	--	**13,763**
Deferred revenue	23,798	--	**23,798**
Refundable advance	7,100,000	--	**7,100,000**
Total current liabilities	7,480,894	--	**7,480,894**
LONG-TERM LIABILITIES			
Grants payable, less current portion	300,000	--	**300,000**
	7,780,894	--	**7,780,894**
COMMITMENTS (NOTE 17)			
NET ASSETS			
Without donor restrictions			
Undesignated	2,973,480	--	**2,973,480**
Board designated	1,991,128	--	**1,991,128**
With donor restrictions	--	770,569	**770,569**
Total net assets	4,964,608	770,569	**5,735,177**
	$ 12,745,502	$ 770,569	**$ 13,516,071**

The notes to financial statements are an integral part of this statement.

UNITED WAY OF MONTEREY COUNTY

STATEMENT OF FINANCIAL POSITION
June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$ 4,531,291	$ 126,279	**$ 4,657,570**
Pledges receivable, less allowance of $157,000	377,278	--	**377,278**
Grants and accounts receivables	133,041	65,000	**198,041**
Prepaid expenses	37,458	--	**37,458**
Total current assets	5,079,068	191,279	**5,270,347**
PROPERTY AND EQUIPMENT, at cost			
Furniture and equipment	186,089	--	**186,089**
Less accumulated depreciation	154,085	--	**154,085**
	32,004	--	**32,004**
OTHER ASSETS			
Beneficial interest in assets held by others	637,299	286,606	**923,905**
Security deposits	4,709	--	**4,709**
	642,008	286,606	**928,614**
	$ 5,753,080	$ 477,885	**$ 6,230,965**

The notes to financial statements are an integral part of this statement.

UNITED WAY OF MONTEREY COUNTY

STATEMENT OF FINANCIAL POSITION
June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	$ 104,179	$ --	**$ 104,179**
Grants payable, current	145,715	--	**145,715**
Accrued expenses	81,310	--	**81,310**
Designated pledges payable	14,842	--	**14,842**
Deferred revenue	30,190	--	**30,190**
Refundable advance - PPP loan	209,547	--	**209,547**
Total current liabilities	585,783	--	**585,783**
LONG-TERM LIABILITIES			
Grants payable, less current portion	400,000	--	**400,000**
	985,783	--	**985,783**
COMMITMENTS (NOTE 17)			
NET ASSETS			
Without donor restrictions			
Undesignated	2,879,783	--	**2,879,783**
Board designated	1,887,514	--	**1,887,514**
With donor restrictions	--	477,885	**477,885**
Total net assets	4,767,297	477,885	**5,245,182**
	$ 5,753,080	$ 477,885	**$ 6,230,965**

The notes to financial statements are an integral part of this statement.

UNITED WAY OF MONTEREY COUNTY

STATEMENT OF ACTIVITIES
Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Support:			
Pledges, current campaign year	$ 937,130	$ 69,920	**$ 1,007,050**
Donor designations to other organizations	(87,582)	--	**(87,582)**
Provision for uncollectible pledges	(61,709)	--	**(61,709)**
Program grants and contractual agreements	5,498,562	1,033,540	**6,532,102**
PPP loan forgiveness	445,292	--	**445,292**
Other support	629,616	108,285	**737,901**
Total support	7,361,309	1,211,745	**8,573,054**
Revenue:			
Investment income	157,056	80,012	**237,068**
Administrative fees	6,397	--	**6,397**
Miscellaneous income	587	--	**587**
Net assets released from restrictions	999,073	(999,073)	**--**
Total revenue	1,163,113	(919,061)	**244,052**
Total support and revenue	8,524,422	292,684	**8,817,106**
EXPENSES			
Program services:			
Community investments and designations	5,331,483	--	**5,331,483**
Amounts designated by donors	(87,582)	--	**(87,582)**
Community services	2,357,753	--	**2,357,753**
Support services:			
Management and general	467,164	--	**467,164**
Fundraising	258,293	--	**258,293**
Total expenses	8,327,111	--	**8,327,111**
Increase in net assets	197,311	292,684	**489,995**
Net Assets, beginning	4,767,297	477,885	**5,245,182**
Net Assets, ending	$ 4,964,608	$ 770,569	**$ 5,735,177**

The notes to financial statements are an integral part of this statement.

UNITED WAY OF MONTEREY COUNTY

STATEMENT OF ACTIVITIES
Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Support:			
Pledges, current campaign year	$ 1,290,168	$ 41,035	**$ 1,331,203**
Donor designations to other organizations	(107,286)	--	**(107,286)**
Provision for uncollectible pledges	(91,395)	--	**(91,395)**
Program grants and contractual agreements	403,018	473,011	**876,029**
Non-campaign bequests and gifts	1,369,176	--	**1,369,176**
Other support	808,843	101,036	**909,879**
Total support	3,672,524	615,082	**4,287,606**
Revenue:			
Investment income	88,380	5,522	**93,902**
Administrative fees	9,132	--	**9,132**
Miscellaneous income	4,234	--	**4,234**
Net assets released from restrictions	663,248	(663,248)	**--**
Total revenue	764,994	(657,726)	**107,268**
Total support and revenue	4,437,518	(42,644)	**4,394,874**
EXPENSES			
Program services:			
Community investments and designations	372,262	--	**372,262**
Amounts designated by donors	(107,286)	--	**(107,286)**
Community services	2,145,463	--	**2,145,463**
Support services:			
Management and general	447,012	--	**447,012**
Fundraising	372,863	--	**372,863**
Total expenses	3,230,314	--	**3,230,314**
Increase (decrease) in net assets	1,207,204	(42,644)	**1,164,560**
Net Assets, beginning	3,560,093	520,529	**4,080,622**
Net Assets, ending	$ 4,767,297	$ 477,885	**$ 5,245,182**

The notes to financial statements are an integral part of this statement.

UNITED WAY OF MONTEREY COUNTY

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2021

	Program Services			Support Services			
	Community Investments and Designations	Community Services	Total Program Services	Management and General	Fundraising	Total Support Services	Total
EXPENSES							
Community investments							
and designations	$ 5,331,483	$ --	$ 5,331,483	$ --	$ --	$ --	**$ 5,331,483**
Amounts designated by donors	(87,582)	--	(87,582)	--	--	--	**(87,582)**
Net community investments	5,243,901	--	5,243,901	--	--	--	**5,243,901**
Advertising and in-kind							
media donations	--	632,580	632,580	150	1,988	2,138	**634,718**
Salaries and wages	--	739,400	739,400	301,641	173,242	474,883	**1,214,283**
Payroll taxes and benefits	--	186,280	186,280	75,994	43,646	119,640	**305,920**
Professional and other fees	--	509,187	509,187	15,920	7,517	23,437	**532,624**
Occupancy expenses	--	57,057	57,057	39,043	13,842	52,885	**109,942**
Office expense	--	54,851	54,851	17,714	6,482	24,196	**79,047**
Conferences, travel and training	--	9,699	9,699	770	597	1,367	**11,066**
Program and campaign materials,							
services and supplies	--	112,088	112,088	1,055	2,131	3,186	**115,274**
Special events	--	3,635	3,635	322	488	810	**4,445**
Insurance	--	6,279	6,279	1,646	946	2,592	**8,871**
Depreciation	--	14,696	14,696	874	502	1,376	**16,072**
Miscellaneous	--	2,500	2,500	--	--	--	**2,500**
United Way Worldwide membership dues	--	29,501	29,501	12,035	6,912	18,947	**48,448**
	$ 5,243,901	$ 2,357,753	$ 7,601,654	$ 467,164	$ 258,293	$ 725,457	**$ 8,327,111**

The notes to financial statements are an integral part of this statement.

UNITED WAY OF MONTEREY COUNTY

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2020

	Program Services			Support Services			
	Community Investments and Designations	Community Services	Total Program Services	Management and General	Fundraising	Total Support Services	Total
EXPENSES							
Community investments							
and designations	$ 372,262	$ --	$ 372,262	$ --	$ --	$ --	**$ 372,262**
Amounts designated by donors	(107,286)	--	(107,286)	--	--	--	**(107,286)**
Net community investments	264,976	--	264,976	--	--	--	**264,976**
Advertising and in-kind							
media donations	--	815,925	815,925	580	3,668	4,248	**820,173**
Salaries and wages	--	560,614	560,614	263,334	243,480	506,814	**1,067,428**
Payroll taxes and benefits	--	148,273	148,273	69,648	64,397	134,045	**282,318**
Professional and other fees	--	382,539	382,539	21,849	11,848	33,697	**416,236**
Occupancy expenses	--	53,410	53,410	40,787	15,815	56,602	**110,012**
Office expense	--	50,893	50,893	24,363	11,035	35,398	**86,291**
Conferences, travel and training	--	22,229	22,229	8,190	3,573	11,763	**33,992**
Program and campaign materials,							
services and supplies	--	75,041	75,041	7,983	9,695	17,678	**92,719**
Special events	--	1,955	1,955	605	870	1,475	**3,430**
Insurance	--	3,271	3,271	1,537	1,421	2,958	**6,229**
Depreciation	--	14,887	14,887	1,095	1,013	2,108	**16,995**
Miscellaneous	--	2,500	2,500	500	--	500	**3,000**
United Way Worldwide membership dues	--	13,926	13,926	6,541	6,048	12,589	**26,515**
	$ 264,976	$ 2,145,463	$ 2,410,439	$ 447,012	$ 372,863	$ 819,875	**$ 3,230,314**

The notes to financial statements are an integral part of this statement.

UNITED WAY OF MONTEREY COUNTY

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2021 and 2020

	2021	2020
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	**$ 489,995**	$ 1,164,560
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	**16,072**	16,995
Change in beneficial interest in assets held by others	**(213,127)**	(15,834)
Provision for uncollectible pledges	**61,709**	91,395
(Increase) decrease in:		
Pledges receivable	**(1,530)**	(75,497)
Grants and accounts receivables	**(5,211,983)**	100,688
Prepaid expenses	**(45,026)**	(673)
Increase (decrease) in:		
Accounts payable	**(9,342)**	42,032
Grants payable	**(95,715)**	3,050
Accrued expenses	**17,186**	(4,460)
Designated pledges payable	**(1,079)**	(3,769)
Deferred revenue	**(6,392)**	(17,531)
Refundable advance	**7,100,000**	--
Refundable advance - PPP loan	**(209,547)**	--
Net cash provided by operating activities	**1,891,221**	1,300,956
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash paid to purchase property and equipment	**--**	(5,720)
Purchase of beneficial interest in assets held by others	**--**	(136,914)
Net cash used by investing activities	**--**	(142,634)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from Paycheck Protection Program Loan	**--**	209,547
Net increase in cash and cash equivalents	**1,891,221**	1,367,869
Cash and Cash Equivalents, beginning	**4,657,570**	3,289,701
Cash and Cash Equivalents, ending	**$ 6,548,791**	$ 4,657,570

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business: United Way of Monterey County (the Organization) is an independent, locally managed nonprofit organization incorporated under the laws of the State of California. As a voluntary health and welfare organization, the Organization develops and allocates resources, conducts an assessment of health and human care needs of Monterey County, allocates funds to agencies to meet those needs, and facilitates the distribution of donor directed contributions. The Organization also brings experts together to develop collaborative approaches in addressing human care issues.

Accounting Policies: The accounting policy relative to the carrying value of property and equipment is indicated in a caption on the statement of financial position. Other significant accounting policies are:

Basis of Presentation: The financial statements are prepared using the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The Organization reports information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions may be perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities. Contributions received with donor restrictions that are met in the same reporting period are reported as increases net assets without donor restrictions.

Use of Estimates: Preparing the Organization's financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect assets and liabilities and disclosures 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.

Cash and Cash Equivalents: For purposes of the statements of cash flows, the Organization considers as cash equivalents all highly liquid investments, which include certificates of deposit with maturities ranging from three to twelve months and penalties for early withdrawal. Penalties for early withdrawal would not have a material effect on the financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expense Allocation: Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are allocated to programs and supporting services on the basis of management estimates. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization. The expenses allocated include professional and other fees, office expense and United Way Worldwide membership dues, which are allocated on the basis of time and effort studies.

Community Investments: Community investments represent funds disbursed to community impact partners to carry out the Organization's mission of financial stability for families in Monterey County. Awards to community impact partners are recognized in the period the award is unconditionally committed.

Income taxes: The Organization is a nonprofit corporation that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue code and from state franchise tax under Revenue and Taxation Code Section 23701(d).

The Financial Accounting Standards Board (FASB) issued guidance that clarifies the accounting for uncertainty in income taxes recognized in an organization's financial statements. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more likely than not the positions will be sustained upon examination by the tax authorities. As of June 30, 2021, the Organization has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

Property and Equipment: The Organization capitalizes all expenditures for property and equipment in excess of $1,000. All property and equipment is stated at cost, or if donated, at estimated fair value on the date of donation. Major improvements are charged to the property accounts, while maintenance and repairs, which do not extend the life of the respective assets, are expensed. When property is retired or otherwise disposed, the cost of the property and the related accumulated depreciation are removed from the accounts and any resulting gains or losses are reflected in income.

Depreciation: Depreciation is provided using the straight-line method over the estimated useful lives of the assets, generally 3 to 7 years.

Recognition of pledges from fundraising campaign, designations and allocations: The Organization conducts fundraising campaigns in Monterey County for program support and for participating health and human care agencies. For the year ended June 30, 2021, the campaign year ran from June 1, 2020, to May 31, 2021. For the year ended June 30, 2020, the campaign year ran from June 1, 2019 to May 31, 2020. Public support, including unconditional promises to give, is recorded at the fair value of the pledge in the year it is received or pledged.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recognition of pledges from fundraising campaign, designations and allocations (continued): Contributions designated by the donor to nonprofit organizations other than the Organization are included in current year campaign pledges. The Organization serves as the primary fiscal agent with the solicitation and distribution of such pledges. Donor designations and the provision for uncollectible pledges are deducted from the total campaign results to arrive at net campaign support.

Other Support: The Organization receives other public support outside the conduct of the annual fundraising campaigns. Certain ceremonial, celebratory and special recognition events at the Organization are underwritten by sponsorship or the costs are offset by contributions for the specific event. Generally, the donating companies agree their contributions may also be used for other costs related to the operation of the Organization.

Volunteer Services: A substantial number of volunteers donate significant amounts of time to the Organization's fundraising campaign and administrative oversight. Such services are not reflected in the financial statements since they do not create or enhance non-financial assets or require specialized skills that would typically be purchased.

Advertising: Advertising costs are expensed as incurred, and totaled $634,718 ($606,928 in-kind) and $820,173 ($784,669 in-kind) for the years ended June 30, 2021 and 2020, respectively.

Upcoming accounting pronouncements: In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e. lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. The new standard is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Organization is assessing the impact this ASU will have on its financial statements.

Refundable Advance: During the year ended June 30, 2021, the Organization received advanced funding of $7,100,000 per a contractual agreement with the County of Monterey, related to the Monterey County Emergency Rental Assistance Program. The advanced funds will be paid back over the last 5 payments of the contract, ending December 31, 2021, or when 30% of the contract balance remains, whichever comes first.

NOTE 2. LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Organization's financial assets as of June 30, 2021 and 2020, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions.

	2021	2020
Financial assets at year end:		
Cash and cash equivalents	$ 6,548,791	$ 4,657,570
Pledges receivable, gross	465,099	534,278
Grants and accounts receivable	5,410,024	198,041
Beneficial interest in assets held by others	1,137,032	923,905
Total financial assets	13,560,946	6,313,794
Less amounts not available to be used within one year:		
Board designated funds	1,991,128	1,887,514
Restricted by donors for use in future periods	570,836	278,152
Portion of donor-restricted endowment to be retained in perpetuity	199,733	199,733
Financial assets not available to be used within one year	2,761,697	2,365,399
Financial assets available to meet general expenditures within one year	$ 10,799,249	$ 3,948,395

The Organization strives to maintain a target minimum operating reserve fund equal to six months of average recurring operating costs. As of June 30, 2021, the operating reserve balance of $1,630,039 was recognized in the financial statements as part of board designated funds. Operating reserve funds are transferred to general investment funds. These funds may be held in medium and long term investment portfolios and may be transferred to the operating fund if needed to cover expenditures. The board has also designated that 10% of all undesignated bequests received will be invested in a long-term investment fund until the Board of Directors authorizes use for a particular purpose.

NOTE 3. CONCENTRATION OF REVENUE

For the year ended June 30, 2021, approximately 34% of the Organization's pledge revenue came from two corporations. For the year ended June 30, 2020, approximately 40% of the Organization's pledge revenue came from two corporations.

For the year ended June 30, 2021, support from one Monterey County contract agreement accounted for 36% of the total support to the Organization. For the year ended June 30, 2020, support from one major contributor accounted for 32% of the total support to the Organization.

NOTE 4. CONCENTRATION OF CREDIT RISK

The Organization maintains balances in cash and interest-bearing deposit accounts at various financial institutions and, from time to time during the year, the cash balances may be in excess of the amount insured by the Federal Deposit Insurance Corporation (FDIC). In the event of insolvency by the financial institution, deposits in excess of insured amounts are potentially subject to unrecoverable loss.

NOTE 5. PLEDGES RECEIVABLE

Pledges receivable consisted of the following as of June 30:

	2021	2020
Pledges receivable, due within one year	$ 465,099	$ 534,278
Allowance for uncollectible accounts	(148,000)	(157,000)
Net pledges receivable	$ 317,099	$ 377,278

The provision for uncollectible pledges is made on campaign contributions (total amount raised) and is based primarily on recent historical experience as well as other factors anticipated by management to affect collections.

NOTE 6. GRANTS AND ACCOUNTS RECEIVABLES

Grants and accounts receivables include County, private and Foundation grants and miscellaneous receivables. County grants receivable arise from grant contracts entered into with the County of Monterey. Grant income is billed to the County in relation to services performed by the Organization.

NOTE 6. GRANTS AND ACCOUNTS RECEIVABLES (Continued)

Grants and accounts receivables consisted of the following as of June 30:

	2021	2020
Cal EITC	$ 8,750	$ 3,470
Rent and Utility Assistance grant advances	2,638,204	--
County grants	2,635,763	113,868
City of Monterey	11,605	--
David and Lucille Packard Foundation grant	--	50,000
Harden Grant 2-1-1	--	15,000
Salinas Valley Memorial Healthcare	25,000	--
Miscellaneous receivables	14,374	--
Cal Am Hardship Benefit program	25,000	--
VITA grant	51,328	15,703
	$ 5,410,024	$ 198,041

Due to the collection history and the Organization's experience with various County grants and miscellaneous receivables, no allowance for doubtful accounts was considered necessary for other receivables as management believes all amounts receivable are fully collectible.

NOTE 7. GRANTS PAYABLE

Grants authorized but unpaid at year-end are reported as liabilities. The following is a summary of grants authorized and payable at June 30, 2021:

To be paid in 2022	$ 150,000
To be paid in 2023 - 2026	300,000
	$ 450,000

NOTE 8. PAYCHECK PROTECTION PROGRAM

The Organization received $209,547 in Payroll Protection Program (PPP) funding on April 24, 2020. The terms of the funding agreement indicated that the Organization must utilize the proceeds to fund/offset qualifying expenses over a twenty-four-week period. The terms of the agreement specified that the Organization must repay the principal of the loan back plus interest, which accrues at 1% semi-annually and matures in two years. The loan may be forgiven if the Organization fulfills the agreed to terms. The Organization recognized this funding as a refundable advance as of the year ended June 30, 2020.

NOTE 8. PAYCHECK PROTECTION PROGRAM (Continued)

During the year ended June 30, 2021, the loan was formally forgiven by the U.S. Small Business Administration (SBA) and recognized as income in the statement of activities.

The Organization received a second round of PPP funding March 15, 2021, in the amount of $235,745. The terms of the funding agreement are the same as the first. The Organization's management believes they have met the terms of forgiveness and therefore has recorded the funding as income in the statement of activities for the year ended June 30, 2021.

NOTE 9. FAIR VALUE MEASUREMENTS

The Fair Value Measurements Topic of the FASB Accounting Standards Codification establishes 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are briefly described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
Level 2: Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly.
Level 3: Prices or valuations that require inputs that are both significant to the fair value measurement and are unobservable.

The asset's 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 measurements. 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 methodology used for assets measured at fair value:

- Interest in assets held at Community Foundation: Funds are invested for long-term growth, both in equities and fixed income investments, which are valued at the net asset value ("NAV") of shares held by the Foundation at year end.

The preceding method 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 method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE 9. FAIR VALUE MEASUREMENTS (Continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value at June 30, 2021:

	Level 1	Level 2	Level 3	Total
Beneficial interest in assets held by others	$ --	$ --	$ 1,137,032	$ 1,137,032

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value at June 30, 2020:

	Level 1	Level 2	Level 3	Total
Beneficial interest in assets held by others	$ --	$ --	$ 923,905	$ 923,905

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended June 30, 2021 and 2020:

	2021	2020
Beginning balance	$ 923,905	$ 771,157
Contributions	--	136,914
Investment income	227,642	29,225
Grants	(3,580)	(3,779)
Administration fees	(10,935)	(9,612)
Ending balance	$ 1,137,032	$ 923,905

NOTE 10. BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

The Community Foundation for Monterey County (Foundation) holds funds for the Organization. Funds are composed of the following as of June 30:

	2021	2020
General Endowment	$ 98,442	$ 80,627
Stewardship Fund	296,964	229,703
Stewardship Fund II	260,684	234,231
Stewardship Fund III	480,942	379,344
	$ 1,137,032	$ 923,905

NOTE 10. BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS (Continued)

General Endowment: In 1987, the Organization established a "Restricted and Organized Purpose Fund" (Agreement) at the Foundation with an initial contribution of $33,175. All contributions made to the fund are irrevocable. Under the terms of the Agreement, the Foundation may substitute another beneficiary in place of the Organization at the discretion of the Foundation's Board of Directors. Earnings, net of administrative fees, are distributed to the Organization on an annual basis and in accordance with the Foundation's policy on the distribution of earnings.

Stewardship Funds: In 2012, 2016 and 2018, the Organization established a Stewardship Fund, Stewardship Fund II and Stewardship Fund III, respectively, with the Foundation, for the benefit of the Organization. The Organization granted variance power to the Foundation; thus, the Foundation has full authority and discretion as to the investment and reinvestment of the assets.

In the event of the dissolution of the Organization or in the event it shall no longer be an organization described in Section 170 (c) of the Internal Revenue Code of 1954, as amended, the Foundation shall continue to hold the funds and shall distribute the income to organizations as in the opinion of the Foundation most nearly serve the purposes and objectives of the Organization. All monies held in the funds are subject to the power of the Foundation to modify any restrictions or conditions on the distribution of monies for any specified charitable purposes or to specified organizations, if in their sole judgment such restriction becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the area served by the Foundation.

The earnings payout of the funds is evaluated at least annually by the Foundation, in light of total return from investments, fees, expenses, and the effects of inflation, and for the General Endowment, the annual payout is typically 5% of the fair market value of the fund at December 31 of the preceding calendar year. For the years ended June 30, 2021 and 2020, there was no payout of earnings from the Stewardship Funds.

NOTE 11. BOARD DESIGNATED NET ASSETS

Board designated net assets consists of the following as of June 30:

	2021	2020
Operating reserve fund	$ 1,630,039	$ 1,526,425
Long-term investment fund	361,089	361,089
	$ 1,991,128	$ 1,887,514

NOTE 12. NET ASSETS WITH DONOR RESTRICTIONS

For the year ended June 30, 2021, activity in net assets with donor restrictions was as follows:

	Beginning 6/30/2020	Additions	Satisfied	Ending 6/30/2021
211	$ 45,850	$ 767,224	$ 579,488	$ 233,586
Impact Monterey County	18,868	--	8,868	10,000
Financial Education Workshops	12,500	--	--	12,500
VITA	--	24,988	24,220	768
Stuff the Bus	29,061	73,324	96,858	5,527
Asset Building	12,500	35,000	30,619	16,881
Bright Futures	60,000	160,085	142,091	77,994
Community Impact	12,500	41,638	54,138	--
Earned Income Tax Credit	--	44,250	22,063	22,187
EFS-FEMA	--	15,000	--	15,000
Monterey Penninsula Preschool Service Corp	--	20,178	6,076	14,102
Accessory Dwelling Unit	--	30,058	27,621	2,437
Endowment earnings	86,873	80,012	7,031	159,854
Endowment principal	199,733	--	--	199,733
	$ 477,885	$ 1,291,757	$ 999,073	$ 770,569

For the year ended June 30, 2020, activity in net assets with donor restrictions was as follows:

	Beginning 6/30/2019	Additions	Satisfied	Ending 6/30/2020
211	$ 58,700	$ 271,691	$ 284,541	$ 45,850
Impact Monterey County	45,292	44,267	70,691	18,868
Financial Education Workshops	15,000	12,500	15,000	12,500
Volunteer Center	20,000	11,612	31,612	--
VITA	42,950	68,959	111,909	--
Stuff the Bus	33,026	53,444	57,409	29,061
Asset Building	17,500	47,500	52,500	12,500
Bright Futures	--	84,223	24,223	60,000
Community Impact	--	20,886	8,386	12,500
Endowment earnings	88,328	5,522	6,977	86,873
Endowment principal	199,733	--	--	199,733
	$ 520,529	$ 620,604	$ 663,248	$ 477,885

NOTE 13. ENDOWMENT DISCLOSURE

The Organization has two restricted endowments in which the principal is invested in perpetuity and the income is available to support and provide community resources. Total endowments included in net assets with donor restrictions was $199,733 for each of the years ended June 30, 2021 and 2020.

In 1987, the Organization established a "Restricted and Organized Purpose Fund" (Agreement) at the Community Foundation for Monterey County with an initial contribution of $33,175. Additionally, in 1990, the General Endowment Fund was established at Morgan Stanley Dean Witter with an initial contribution of $166,558. Since that time, these endowment funds have been transferred to the Community Foundation Stewardship Fund.

Interpretation of Relevant Law: The Board of Directors of the Organization has interpreted the California Prudent Management of Institutional Funds Act (CPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

In accordance with CPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of the Organization and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the Organization
(7) The investment policies of the Organization

Investment Return Objectives, Risk Parameters and Strategies: The Organization has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Endowment assets are invested in a well-diversified asset mix, which includes equity and fixed income securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 5%, while growing the funds if possible. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

NOTE 13. ENDOWMENT DISCLOSURE (Continued)

Spending Policy: Each year, the entire earnings of each fund shall be distributed according to written criteria and no earnings are provided to increase principal. The Board of Directors periodically reviews this policy for changes. From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Board of Directors of the Organization has interpreted CPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law.

During the year ended June 30, 2021, endowment net asset activity was as follows:

Beginning balance	$ 286,606
Interest and dividend income	9,828
Realized and unrealized gains	70,184
Grants	(3,580)
Fees	(3,451)
Ending balance	$ 359,587

During the year ended June 30, 2020, endowment net asset activity was as follows:

Beginning balance	$ 288,061
Interest and dividend income	9,303
Realized and unrealized losses	(3,781)
Grants	(3,779)
Fees	(3,198)
Ending balance	$ 286,606

NOTE 14. COMMUNITY INVESTMENTS AND DESIGNATIONS

The Organization's various fundraising campaigns, contracts and activities resulted in the following distributions to community investment agencies and other benefiting organizations:

	2021	2020
Community investments and designations determined by the Board of Directors	$ 5,243,901	$ 264,976
Designations directed by donor	87,582	107,286
	$ 5,331,483	$ 372,262

NOTE 15. PENSION PLANS

Effective July 1, 2019, the Organization changed to an ERISA 403(b) plan covering all employees. Employees are eligible to participate after having worked at least 1,000 hours over a 12 month period. The Organization contributes a non-elective amount of 3% of gross wages for all eligible employees and matches up to 3% of employee contributions. During the years ended June 30, 2021 and 2020, the Organization contributed $63,048 and $57,310 to the plan, respectively.

NOTE 16. OTHER SUPPORT

Other support consists of the following as of June 30:

	2021	2020
In-kind media donations	$ 606,928	$ 784,669
Sponsorship revenue	120,250	102,600
Other in-kind donations	10,723	9,518
Other event revenue	--	13,092
	$ 737,901	$ 909,879

NOTE 17. LEASE COMMITMENTS

Effective May 1, 2010, the Organization entered into an agreement to lease an office facility in Monterey. The term of the lease was for five years ending April 30, 2015, and an option to renew the lease for one additional period of five years was exercised. On May 1, 2020, the term of the lease was extended for a period of two years, ending on April 30, 2022. The lease requires future minimum monthly payments of $5,967 through April 30, 2022.

The Organization leases an additional office in Salinas. The term of the lease was for two years ending January 31, 2018, and an option to renew the lease for an additional period of two years was exercised. The lease was extended for two years beginning February 1, 2020 and ending January 31, 2022. The lease requires future minimum monthly payments of $2,901 through January 31, 2022.

Total rent expense incurred under all operating leases described for the years ended June 30, 2021 and 2020 totaled $105,520 and $103,077, respectively.

NOTE 18. SUBSEQUENT EVENTS

Management has evaluated its June 30, 2021 and 2020 financial statements for subsequent events through October 28, 2021, the date of issuance of the financial statements. The Organization is not aware of any additional subsequent events that would require recognition or disclosure in the financial statements.

UNITED WAY OF MONTEREY COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Grantor Number	Federal Expenditures
U.S. Department of Treasury			
Volunteer Income Tax Assistance (VITA)	21.009	21VITA0064	$ 51,328
Pass-through Agency:			
County of Monterey			
COVID-19 Emergency Rental Assistance	21.019	5010-CAP21UWMCERAP	3,068,891
COVID-19 Emergency Rental Assistance	21.019	5010-94	1,250,000
			4,318,891
U.S. Department of Human Services			
Pass-through Agency:			
County of Monterey			
Community Services Block Grant	93.569	5010-CAP20UWMC	48,212
Corporation for National & Community Service			
Pass-through Agency:			
California Volunteers			
Preschool Capacity Planning Grant	94-006	17AFHY26-PG80	6,274
Monterey County Preschool Service Corps	94-006	17AFHY26-F209	57,121
			63,395
Total expenditures of federal awards			$ 4,481,826

See accompanying notes to schedule of expenditures of federal awards.

NOTE 1. BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal Awards is prepared on the same basis of accounting as the Organization's financial statements. The Organization uses the accrual basis of accounting. Expenditures represent only the federally funded portions of the program. Organization records should be consulted to determine amounts expended or matched from non-federal sources.

NOTE 2. PROGRAM COSTS

The amounts shown as current year expenses represent only the federal portion of the program costs. Entire program costs, including the Organization's portion, may be more than shown.

NOTE 3. FEDERAL INDIRECT RATE

The Organization has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

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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*

To the Board of Directors
United Way of Monterey County
Monterey, California

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, the financial statements of United Way of Monterey County, 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 the related notes to the financial statements, and have issued our report thereon dated TBD.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered United Way of Monterey County's internal control over financial reporting (internal control) 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 United Way of Monterey County's internal control. Accordingly, we do not express an opinion on the effectiveness of United Way of Monterey County'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 a 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.

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 that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether United Way of Monterey County's financial statements are free from 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.

Hutchinson and Bloodgood LLP

October 28, 2021

HUTCHINSON and
BLOODGOOD LLP
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
United Way of Monterey County
Monterey, California

Report on Compliance for Each Major Federal Program

We have audited United Way of Monterey County'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 United Way of Monterey County's major federal programs for the year ended June 30, 2021. United Way of Monterey County's major federal programs are identified in the summary of auditors' 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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of United Way of Monterey County'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 occurred. An audit includes examining, on a test basis, evidence about United Way of Monterey County'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 United Way of Monterey County's compliance.

Opinion on Each Major Federal Program

In our opinion, United Way of Monterey County 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 United Way of Monterey County 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 of compliance, we considered United Way of Monterey County'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 an 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 United Way of Monterey County'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 a 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 a 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 in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Hutchinson and Bloodgood LLP

October 28, 2021

UNITED WAY OF MONTEREY COUNTY

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued?	Unmodified
Internal control over financial reporting:	
• Material weakness(s) identified?	No
• Significant deficiency(s) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to the financial statements noted?	No

Federal Awards Section

Internal control over major programs:	
• Material weakness(s) identified?	No
• Significant deficiency(s) identified that are not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance for major programs?	Unmodified
Any audit findings disclosed that are required to be reported In accordance with 2 CFR 200.516(a)?	No

Identification of major programs:

CFDA Number	Name of Federal Program
21.019	Emergency Rental Assistance Program

Dollar threshold used to distinguish between type A and type B programs:	$750,000
Auditee qualified as low-risk auditee?	No

UNITED WAY OF MONTEREY COUNTY

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

SECTION II - FINANCIAL STATEMENT FINDINGS

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards.*

SECTION III – FINDINGS AND QUESTIONED COSTS—MAJOR FEDERAL AWARD PROGRAMS

None reported.