UNITED WAY OF GREATER ATLANTA, INC.

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

As of and for the Years Ended June 30, 2023 and 2022

And Report of Independent Auditor

Cherry Bekaert LLP
Your Guide Forward

UNITED WAY OF GREATER ATLANTA, INC.
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Cherry Bekaert LLP
Your Guide Forward

Report of Independent Auditor

To the Board of Directors
United Way of Greater Atlanta, Inc.
Atlanta, Georgia

Opinion

We have audited the accompanying financial statements of United Way of Greater Atlanta, Inc. ("United Way") (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the United Way as of June 30, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with 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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the United Way and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of United Way's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control related matters that we identified during the audits.

Supplementary Information

Our audits were 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 schedule of expenditures of federal awards 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 December 14, 2023, on our consideration of United Way'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 solely 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 effectiveness of United Way's 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 United Way's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Atlanta, Georgia
December 14, 2023

UNITED WAY OF GREATER ATLANTA, INC.
STATEMENTS OF FINANCIAL POSITION
(DOLLARS IN THOUSANDS)

JUNE 30, 2023 AND 2022

	2023	2022
ASSETS		
Cash and cash equivalents	$ 55,495	$ 45,899
Investments, at fair value	37,664	36,728
Contributions receivable, less allowance for uncollectible accounts of $4,917 and $5,369 at June 30, 2023 and 2022, respectively	14,022	17,094
Other receivables	1,986	14,206
Prepaids and other assets	1,809	2,243
Land, buildings, and equipment, net of depreciation	7,752	8,618
Operating lease right-of-use assets, net	115	-
Total Assets	$ 118,843	$ 124,788
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued liabilities	$ 10,998	$ 18,478
Allocations payable	650	1,215
Donor designated allocations payable	8,437	9,239
Bonds payable, net	-	292
Finance lease liability	114	-
Operating lease liability	117	-
Total Liabilities	20,316	29,224
Net Assets:		
Without Donor Restrictions:		
Board-designated reserve fund	20,288	16,571
Undesignated	28,499	28,155
Total Without Donor Restrictions	48,787	44,726
With Donor Restrictions:		
Subject to purpose and time restrictions	42,840	44,691
Endowments and other perpetual gifts	6,900	6,147
Total With Donor Restrictions	49,740	50,838
Total Net Assets	98,527	95,564
Total Liabilities and Net Assets	$ 118,843	$ 124,788

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

UNITED WAY OF GREATER ATLANTA, INC.
STATEMENT OF ACTIVITIES
(DOLLARS IN THOUSANDS)

YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Campaign Results:			
Campaign Contributions:			
Current year campaign	$ 34,954	$ 9,607	$ 44,561
Prior year Pacesetter Campaign	-	(197)	(197)
Pacesetter Campaign	-	607	607
Less Amounts Due to Others:			
Donor designations	(3,786)	-	(3,786)
Amounts sent directly to others	(5,823)	-	(5,823)
Gross Campaign Results	25,345	10,017	35,362
Provision for uncollectibles	(2,281)	-	(2,281)
Net Campaign Results	23,064	10,017	33,081
Revenues, Gains, and Other Support:			
Campaign contributions received in current period, net of provision for uncollectible pledges of $2,281	23,064	10,017	33,081
Private grants and foundations revenue	1,426	22,367	23,793
Government grants and contract revenue	-	19,697	19,697
Gifts-in-kind revenue	10,497	-	10,497
Building income	4,908	-	4,908
Other income	3,342	-	3,342
Net assets released from restrictions	52,641	(52,641)	-
Total Revenues, Gains, and Other Support	95,878	(560)	95,318
Expenses:			
Program Services:			
Agency allocations	(5,510)	-	(5,510)
Community services	(16,468)	-	(16,468)
Other direct assistance	(52,939)	-	(52,939)
Building operations	(4,729)	-	(4,729)
Total Program Services	(79,646)	-	(79,646)
Supporting services	(15,061)	-	(15,061)
Total Expenses	(94,707)	-	(94,707)
Change in net assets from operations	1,171	(560)	611
Nonoperating Items:			
Investment return, net	2,339	528	2,867
Change in liability for pension benefit	1,228	-	1,228
Transfer of assets to CareerRise	(677)	(1,066)	(1,743)
Change in net assets	4,061	(1,098)	2,963
Net assets, beginning of year	44,726	50,838	95,564
Net assets, end of year	$ 48,787	$ 49,740	$ 98,527

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

UNITED WAY OF GREATER ATLANTA, INC.
STATEMENT OF ACTIVITIES
(DOLLARS IN THOUSANDS)

YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Campaign Results:			
Campaign Contributions:			
Current year campaign	$ 44,143	$ 12,509	$ 56,652
Prior year Pacesetter Campaign	-	(239)	(239)
Pacesetter Campaign	-	197	197
Less Amounts Due to Others:			
Donor designations	(4,983)	-	(4,983)
Amounts sent directly to others	(11,523)	-	(11,523)
Gross Campaign Results	27,637	12,467	40,104
Provision for uncollectibles	(4,549)	-	(4,549)
Net Campaign Results	23,088	12,467	35,555
Revenues, Gains, and Other Support:			
Campaign contributions received in current period, net of provision for uncollectible pledges of $4,549	23,088	12,467	35,555
Private grant and foundation revenues	820	44,751	45,571
Government grants and contract revenue	-	36,966	36,966
Gifts-in-kind revenue	13,058	-	13,058
Building income	2,559	-	2,559
Other income	2,808	-	2,808
Net assets released from restrictions	83,112	(83,112)	-
Total Revenues, Gains, and Other Support	125,445	11,072	136,517
Expenses:			
Program Services:			
Agency allocations	(4,377)	-	(4,377)
Community services	(18,930)	-	(18,930)
Other direct assistance	(84,268)	-	(84,268)
Building operations	(3,557)	-	(3,557)
Total Program Services	(111,132)	-	(111,132)
Supporting services	(13,143)	-	(13,143)
Total Expenses	(124,275)	-	(124,275)
Change in net assets from operations	1,170	11,072	12,242
Nonoperating Items:			
Investment return, net	(3,295)	(686)	(3,981)
Change in liability for pension benefit	326	-	326
Change in net assets	(1,799)	10,386	8,587
Net assets, beginning of year	46,525	40,452	86,977
Net assets, end of year	$ 44,726	$ 50,838	$ 95,564

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

UNITED WAY OF GREATER ATLANTA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
(DOLLARS IN THOUSANDS)

YEAR ENDED JUNE 30, 2023

	Program Services					Supporting Services			
	Agency Allocations	Community Services	Other Direct Assistance	Building Operations	Total Program Services	Fundraising	Management and General	Total Supporting Services	Total
Operating Expenses:									
Salaries and other labor	$ -	$ 3,087	$ 2,121	$ 1,192	$ 6,400	$ 4,286	$ 3,973	$ 8,259	$ 14,659
Occupancy	-	322	378	961	1,661	275	289	564	2,225
Employee health and retirement benefits	-	609	577	45	1,231	712	1,342	2,054	3,285
Campaign and marketing supplies	-	1	4	-	5	101	-	101	106
Professional fees	-	98	1,787	185	2,070	862	355	1,217	3,287
Payroll taxes	-	231	155	198	584	308	243	551	1,135
Printing and brochures	-	3	5	1	9	193	27	220	229
Telephone	-	113	3	15	131	-	321	321	452
Equipment rental and maintenance	-	42	69	66	177	-	635	635	812
Information technology, postage, and supplies	-	548	376	44	968	1,212	(1,369)	(157)	811
Training and conferences	-	92	120	4	216	105	94	199	415
Local transportation	-	11	-	-	11	8	-	8	19
Other	-	65	59	473	597	63	386	449	1,046
Depreciation and amortization	-	-	272	885	1,157	-	238	238	1,395
Utilities	-	-	15	269	284	-	-	-	284
Catering	-	-	-	366	366	-	-	-	366
Total Operating Expenses	-	5,222	5,941	4,704	15,867	8,125	6,534	14,659	30,526
Allocations, Expenses, and Other Direct Assistance:									
Annual campaign allocations	5,510	469	-	-	5,979	25	-	25	6,004
Gifts-in-kind expense	-	10,497	-	-	10,497	-	-	-	10,497
Governmental grants and contracts expense	-	-	19,673	-	19,673	-	-	-	19,673
Other allocations	-	-	27,325	-	27,325	-	-	-	27,325
Total Allocations, Expenses, and Other Direct Assistance	5,510	10,966	46,998	-	63,474	25	-	25	63,499
Other:									
Interest expense	-	-	-	25	25	-	(41)	(41)	(16)
Dues to United Way Worldwide	-	280	-	-	280	-	418	418	698
Total Other	-	280	-	25	305	-	377	377	682
Total Functional Expenses	$ 5,510	$ 16,468	$ 52,939	$ 4,729	$ 79,646	$ 8,150	$ 6,911	$ 15,061	$ 94,707

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

UNITED WAY OF GREATER ATLANTA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
(DOLLARS IN THOUSANDS)

YEAR ENDED JUNE 30, 2022

	Program Services					Supporting Services			
	Agency Allocations	**Community Services**	**Other Direct Assistance**	**Building Operations**	**Total Program Services**	**Fundraising**	**Management and General**	**Total Supporting Services**	**Total**
Operating Expenses:									
Salaries and other labor	$ -	$ 2,841	$ 2,329	$ 776	$ 5,946	$ 3,886	$ 3,778	$ 7,664	$ 13,610
Occupancy	-	376	328	680	1,384	235	244	479	1,863
Employee health and retirement benefits	-	964	505	56	1,525	1,063	618	1,681	3,206
Campaign and marketing supplies	-	5	9	-	14	91	-	91	105
Professional fees	-	63	1,188	179	1,430	62	303	365	1,795
Payroll taxes	-	211	165	81	457	275	220	495	952
Printing and brochures	-	2	35	1	38	237	25	262	300
Telephone	-	96	5	22	123	1	298	299	422
Equipment rental and maintenance	-	29	(5)	23	47	-	557	557	604
Information technology, postage, and supplies	-	558	401	34	993	1,207	(1,167)	40	1,033
Training and conferences	-	41	168	1	210	34	27	61	271
Local transportation	-	3	2	-	5	7	3	10	15
Other	-	22	34	422	478	81	276	357	835
Depreciation and amortization	-	-	272	904	1,176	-	180	180	1,356
Utilities	-	-	-	202	202	-	-	-	202
Catering	-	-	-	158	158	-	-	-	158
Total Operating Expenses	-	5,211	5,436	3,539	14,186	7,179	5,362	12,541	26,727
Allocations, Expenses, and Other Direct Assistance:									
Annual campaign allocations	4,377	417	-	-	4,794	25	-	25	4,819
Gifts-in-kind expense	-	13,058	-	-	13,058	-	-	-	13,058
Governmental grants and contracts expense	-	-	36,960	-	36,960	-	-	-	36,960
Other allocations	-	-	41,872	-	41,872	-	-	-	41,872
Total Allocations, Expenses, and								-	
Other Direct Assistance	4,377	13,475	78,832	-	96,684	25	-	25	96,709
Other:									
Interest expense	-	-	-	18	18	-	(1)	(1)	17
Dues to United Way Worldwide	-	244	-	-	244	-	578	578	822
Total Other	-	244	-	18	262	-	577	577	839
Total Functional Expenses	$ 4,377	$ 18,930	$ 84,268	$ 3,557	$ 111,132	$ 7,204	$ 5,939	$ 13,143	$ 124,275

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

UNITED WAY OF GREATER ATLANTA, INC.
STATEMENTS OF CASH FLOWS
(DOLLARS IN THOUSANDS)

YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	$ 2,963	$ 8,587
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Net realized and unrealized losses (gains) on investments and beneficial interest in assets held by others	(1,874)	4,432
Depreciation and amortization	1,395	1,356
Amortization of operating lease right-of-use assets	129	-
Amortization of bond issuance costs	-	17
Provision for doubtful accounts	2,281	4,549
Changes in operating assets and liabilities:		
Contributions receivable	791	(2,986)
Other receivables	12,220	(8,706)
Prepaids and other assets	489	(549)
Accounts payable and accrued liabilities	(7,480)	4,744
Allocations and donor-designated allocations payable	(1,367)	175
Operating lease liabilities	(127)	-
Net cash flows from operating activities	9,420	11,619
Cash flows from investing activities:		
Purchases of building improvements and equipment	(360)	(517)
Purchases of investments	-	(15,636)
Proceeds from sales of investments	883	15,180
Net cash flows from investing activities	523	(973)
Cash flows from financing activities:		
Principal repayments on bonds payable	(292)	(510)
Payments on finance lease obligations	(55)	-
Net cash flows from financing activities	(347)	(510)
Net change in cash and cash equivalents	9,596	10,136
Cash and cash equivalents, beginning of year	45,899	35,763
Cash and cash equivalents, end of year	$ 55,495	$ 45,899
Supplemental cash flow information:		
Interest paid	$ 16	$ 17
Supplemental disclosure of noncash investing and financing activities:		
Right-of-use assets obtained in exchange for operating lease liabilities	$ 244	$ -
Equipment obtained in exchange for finance lease liability	$ 169	$ -

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

Note 1—Nature of organization and summary of significant accounting policies

Nature of Operations – United Way of Greater Atlanta, Inc. ("United Way") is a nonprofit corporation that operates in the 13 county greater Atlanta area. United Way's vision is for Greater Atlanta to be a thriving and inclusive community where every person, regardless of race, identity, or circumstances has equitable opportunities to live a healthy life and to acquire the education and skills they need to earn a sustaining wage so that they may achieve their full potential. Communities that can say, "all the children are well," have babies born healthy, kids who read proficiently by third grade, and teens who graduate from high school ready for college and careers. These are kids that grow up in communities where people are educated, employed, and housed. United Way, in partnership with a couple of other organizations, created the Child Well-Being index in 2017. United Way's goal is to raise the overall Child Well-Being Score across Greater Atlanta's 13 county region. United Way has established four investment priorities to help achieve this goal: Stronger Learners, College and Career Ready, Economic Stability, and Brighter Future.

Financial Statement Presentation – United Way reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

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 United Way. These net assets may be used at the discretion of United Way's management and the Board of Directors. United Way has chosen to provide further classification information about net assets without donor restrictions on the statements of financial position.

Board-Designated Reserve Fund – Represents a fund established by the Board of Directors to be used within guidelines established by the Board of Directors. The general purpose of the fund is to help ensure the long-term financial stability of United Way and position it to respond to varying economic conditions and changes affecting both United Way's financial position and the conditions of the United Way's non-profit partners.

Undesignated – Represents the cumulative net asset without donor restrictions excluding those net assets designated for specific activities by the Board of Directors.

Net Assets With Donor Restrictions – Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions. Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the United Way to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a board approved spending policy.

When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Expenses are reported as decreases in net assets without donor restrictions. State law (substantially in conformity with the *Uniform Prudent Management of Institutional Funds Act*), authorizes expenditures of appreciation (both realized and unrealized) in the value of endowment funds subject to a standard of business care and prudence. Investment returns on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by donors or state law.

Cash and Cash Equivalents – United Way considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

(DOLLARS IN THOUSANDS)

Note 1—Nature of organization and summary of significant accounting policies (continued)

Investments – Investments are carried at fair value. United Way's investments do not have a significant concentration of credit risk within any industry, geographic location, or specific institution.

Contributions Receivable – Contributions receivable are comprised primarily of unconditional promises to give. Contributions to be received over periods of more than one year are discounted to their net present value. Child Well-Being Campaign contributions receivable are generally paid within 18 months.

United Way provides an allowance for uncollectible contributions receivable based on historical write-off percentages at the time campaign results are recorded. This estimated allowance is periodically adjusted based on campaign collection trends. A campaign is officially closed for accounting purposes, and the final uncollectible amount determined, in the year following the year of workplace campaign collections. Any difference in the actual campaign collection results compared with the estimates previously recorded are reflected as an adjustment to net campaign results in the statements of activities. At June 30, 2023 and 20222022, the allowance for doubtful contributions receivable was $4,917 and $5,369, respectively. Reductions in uncollectible contributions receivable of approximately $2,619 and $1,510 were recorded in fiscal years 2023 and 2022, respectively, related to the final closing of the fall 2021 and 2020 campaign collections.

Other Receivables – Other receivables are reported net of an allowance for doubtful accounts. An allowance for uncollectible other accounts receivable is provided based upon management's judgment, including such factors as the age of the receivable, creditworthiness of parties, historical collection experience, and type of revenue. At June 30, 2023 or 2022, there was no allowance for doubtful other accounts receivable deemed necessary.

Prepaids and Other Assets – Other assets in the statements of financial position include:

	2023	2022
Beneficial interest in assets held by others	$ 935	$ 880
Life insurance contract	684	675
Prepaids	190	688
Total prepaids and other assets	$ 1,809	$ 2,243

See Note 4 for description of beneficial interest in assets held by others.

Land, Buildings, and Equipment, Net – These assets are stated at cost at date of acquisition for assets purchased or fair value at date of donation in the case of gifts, less an allowance for accumulated depreciation. Acquisitions of land, buildings, and equipment in excess of $1,000 are capitalized. Expenditures for new construction, major renewals, and replacements are capitalized. Expenditures for maintenance, repairs and minor renewals, and replacements of minor non-depreciable equipment are charged to expense as incurred. Depreciation is provided primarily using the straight-line method over the estimated useful lives of the related assets.

Note 1—Nature of organization and summary of significant accounting policies (continued)

Campaign Results – Campaigns with foundations and corporate partners are conducted throughout the year, ("Current Campaign" or "2022/2023 campaign") to support programs primarily in the subsequent fiscal year. Donors can choose to give to United Way's Child Well-Being Mission Fund, other United Way programs, or to specific non-profit organizations. United Way honors the designations made by the donor to each non-profit by distributing a proportionate share of receipts based on donor designations to each respective non-profit organization. Overall campaign results are reduced by contributions that are fundraised by United Way but another third party is collecting and distributing the contributions or the donor has specified a non-profit organization as the beneficiary. These contributions are not included in revenues, gains, and other support or in agency allocations in the statements of activities in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Donor designated allocations payable of $8,437 and $9,239, at June 30, 2023 and 2022, respectively, include amounts fundraised by United Way that the donor has specified a non-profit organization as the beneficiary and other amounts United Way processes for other organizations.

The net campaign results for the 2022/2023 campaign are reflected as without and with donor restrictions in the year ended June 30, 2023 statement of activities based on donor intent regarding time and purpose. Campaign contributions related to the 2022/2023 campaign are included in revenues with donor restrictions as the amounts are restricted for the following year. These amounts are classified as Pacesetter Campaign contributions in the year ended June 30, 2023 statement of activities.

Child Well-Being Mission Fund – United Way's current preference is for donors to give to United Way's Child Well-Being Mission Fund. Contributions to the United Way's Child Well-Being Mission Fund are reported as without donor restrictions and are allocated by United Way and United Way volunteers to support a variety of local health and human services programs and initiatives that align with United Way's four investment priorities and operating costs of United Way. Allocations to local programs are made by United Way and United Way volunteers and are typically paid to non-profit partners in the following fiscal year in two to four installments. The first installments are distributed in the first half of the following fiscal year and are based on the level of campaign results of the Current Campaign but funded from the previous campaign. This distribution policy allows management sufficient time for the Current Campaign results to be analyzed and validated as to accuracy and collectability to avoid allocation levels in excess of actual campaign results and campaign collections. The later installments from the Current Campaign are distributed in the second six months of the following fiscal year and funded from the Current Campaign. At June 30, 2023 and 2022, United Way had committed Child Well-Being funding allocations of $2,316 and $4,631, respectively, of which, $650 and $1,215, respectively, are reflected as allocations payable in the statements of financial position at June 30, 2023 and 2022. The remainder of the commitment is either unallocated to specific programs as of June 30 or is contingent on cash collections on the Current Campaign and, therefore, not recorded as a liability as of June 30, 2023 or 2022 as disclosed in Note 7.

Revenue Recognition – Revenues from non-exchange transactions, contributions, and grants may be subject to conditions in the form of both a barrier to entitlement and a refund of amounts paid (or a release from obligation to make future payments) and are included in campaign contributions, private grants and foundation revenue, and government grants and contract revenue in the statements of activities. Unconditional contributions and grants are recognized when cash, other assets, or an unconditional promise to give is received. Conditional contributions and grants are recognized when the barrier is satisfied.

All unconditional contributions and grants are considered to be without donor restriction unless specifically restricted by the donor or grantor for a specific program, purpose, or time period. Amounts received that are restricted by the donor or grantor for a specific program, purpose, or for future periods are reported as increases to net assets with donor restrictions. Contributions and grants that are restricted by the donor or grantor are reported as increases in net assets without restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

Note 1—Nature of organization and summary of significant accounting policies (continued)

Contributions of assets other than cash are recorded at their estimated fair value and are reported as contribution revenues without donor restrictions unless specifically restricted by the donor. Gifts specified for the acquisition or construction of long-lived assets are reported as net assets without restrictions when the assets are placed in service.

United Way also receives grants from the state and federal agencies. Grants which are classified as non-exchange transactions and are recognized as revenue when the barriers required under the grant are satisfied. If funds are received from grants from state and federal agencies prior to incurring allowable expenses, these amounts are reported as deferred revenues.

United Way recognizes revenue from exchange-transactions in accordance with Accounting Standards Codification ("ASC") 606, the core principle of which is that an organization should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to receive in exchange for those goods and services. To achieve this core principle, five basic criteria must be met before revenue can be recognized: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to performance obligations in the contract, and (5) recognize revenue when or as United Way satisfies a performance obligation.

United Way recognizes revenue when its customer obtains control of promised services or gains access to the promised goods in an amount that reflects the consideration that United Way expects to receive in exchange for those goods or services.

Conference center rentals, monthly parking pass, and other member and non-member fees are generally paid in advance and revenue is recognized once the monthly or daily access to facilities and/or service is provided.

Functional Expenses – The costs of providing programs and other activities have been summarized on a functional basis in the statements of activities and statements of functional expenses. Accordingly, certain costs have been allocated among program services and supporting services. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Expense	Method of Internal Allocation
Information technology	Time and effort

Concentrations of Risk – Financial instruments that potentially subject United Way to concentrations of credit risk consist primarily of contributions receivable, substantially all of which are from individuals, businesses, or not-for-profit foundations in the metropolitan Atlanta area, and cash and cash equivalents.

Concentrations of credit risk for contributions receivables are limited due to the large number of donors comprising United Way's donor base. For the years ended June 30, 2023 and 2022, approximately 23% and 17%, respectively, of United Way's total revenue was from a private foundation.

United Way places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation covers $250,000 for substantially all depository accounts. United Way from time to time may have amounts on deposit in excess of the insured limits.

Note 1—Nature of organization and summary of significant accounting policies (continued)

Income Taxes – United Way is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986 ("IRC"), as amended and, therefore, no provision for income taxes has been made in the accompanying financial statements. United Way has evaluated the effect of U.S. GAAP guidance on Accounting for Uncertainty in Income Taxes and believes it continues to satisfy the requirements of tax-exempt organizations and, therefore, had no uncertain income tax positions at June 30, 2023.

Fair Value Measurements – The following methods and assumptions were used by United Way in estimating its fair value disclosures for financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value and, accordingly, the estimates are not necessarily indicative of the amounts the United Way could realize in a current market exchange.

Level inputs as defined by ASC 820, *Fair Value Measurements and Disclosures*, are as follows:

Level 1 – Financial instruments with unadjusted, quoted prices listed on active market exchanges.

Level 2 – Financial instruments valued using pricing inputs other than quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 – Financial instruments that are not actively traded on a market exchange and require using significant unobservable inputs in determining fair value.

Fair value approximates book value for the following financial instruments due to their short-term nature: cash and cash equivalents, contributions receivable, accounts payable, and accrued expenses. Fair values for marketable debt and equity securities are based on quoted market prices. If a quoted market price is not available, fair value is estimated using market prices for similar securities.

Use of Estimates – The preparation of the financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of any contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

Adopted Accounting Pronouncements – On July 1, 2022, United Way adopted Accounting Standards Update 2016-02, *Leases (Topic 842)* using the modified retrospective approach. The most significant change in the new leasing guidance is the requirement to recognize right-of-use ("ROU") assets and lease liabilities for operating and financing leases on the statement of financial position. As a result of adopting this standard, the United Way recorded operating lease ROU assets and lease liabilities of $244. There was no difference between the operating lease ROU assets and lease liabilities that required an adjustment to beginning net assets. Adoption of the new standard did not materially impact the United Way's financial statements.

(DOLLARS IN THOUSANDS)

Note 2—Liquidity and availability of resources

The table below represents financial assets available for general expenditures within one year at June 30, 2023 and 2022:

	2023	2022
Financial assets at year-end:		
Cash and cash equivalents	$ 55,495	$ 45,899
Investments, at fair value	37,664	36,728
Contributions receivable	14,022	17,094
Other receivables	1,986	14,206
Total financial assets	109,167	113,927
Less amounts not available to be used for general expenditures within one year:		
Subject to donor purpose restrictions	42,840	44,691
Board-designated funds	20,288	16,571
Endowments	5,965	5,267
Financial assets not available to be used within one year	69,093	66,529
Financial assets available to meet general expenditures within one year	$ 40,074	$ 47,398

For purposes of analyzing resources available to meet general expenditures over a 12-month period, United Way considers all expenditures related to its ongoing mission related activities as well as the conduct of services undertaken to support those activities to be general expenditures.

United Way maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

To help manage liquidity needs, the United Way has board-designated net assets without donor restrictions that, while the United Way does not intend to spend these for purposes other than those identified, the amounts could be made available for current operations, if necessary.

Note 3—Land, buildings, and equipment, net

At June 30, 2023 and 2022, land, buildings, and equipment, net consist of the following:

	Useful Lives	2023	2022
Land	N/A	$ 4,390	$ 4,390
Buildings and leasehold improvements	7 - 30 years	26,791	26,717
Furniture, fixtures, and equipment, including finance lease right-of-use assets	5 - 7 years	4,347	3,939
		35,528	35,046
Less accumulated depreciation		(27,776)	(26,428)
Land, buildings, and equipment, net of depreciation		$ 7,752	$ 8,618

Depreciation expense for was $1,395 and $1,356 for the years ended June 30, 2023 and 2022, respectively.

Note 4—Beneficial interest in assets held by others

United Way is the beneficiary of a fund held and administered by a local community foundation. Under the terms of the agreement, United Way has the irrevocable right to receive the income earned on the fund assets in perpetuity. The fund assets are not subject to the control or direction of United Way.

The fund assets are recorded in prepaids and other assets in the statements of financial position at the fair value of the beneficial interest. United Way's estimate of fair value is based on fair value information received from the community foundation. Net appreciation or depreciation in the fair value of these assets is recorded in investment return, net in net assets with donor restrictions in the statements of activities.

As shown in Note 1, the fair value of the beneficial interest was approximately $935 and $880 at June 30, 2023 and 2022, respectively. Income received from the community foundation each year is recognized as income with donor restrictions. Distributions received from the fund were approximately $44 and $42 for the years ended June 30, 2023 and 2022, respectively.

Note 5—Retirement plans

United Way has an insured, noncontributory defined benefit pension plan (the "Plan") for all employees that were employed on or before January 1, 2013. United Way's policy is to fund pension costs accrued, including amortization of prior service costs, over a 10-year period. The employee's retirement benefit is based on years of service and the employee's compensation during the highest consecutive 60 months out of the last 120 months of employment. Effective January 1, 2013, United Way froze the Plan for all new participants and no new participants entered the Plan after that date.

U.S. GAAP requires an employer to recognize the overfunded or underfunded status of a defined benefit postretirement plan as an asset or liability in its statements of financial position and to recognize changes in that funded status in the year in which the changes occur through changes in net assets without donor restrictions. U.S. GAAP also requires an employer to measure the funded status of a plan as of the date of its year-end statements of financial position.

At June 30, 2023 and 2022, United Way recognized a liability for the underfunded status of its Plan and adjusted the ending balance of net assets without donor restrictions for the transition obligation, prior service cost, and net loss that had not been recognized as components of net periodic pension cost. The liability for pension benefits is recorded was $4,879 and $6,107 as of June 30, 2023 and 2022, respectively, and is included in accounts payable and accrued liabilities in the accompanying statements of financial position.

(DOLLARS IN THOUSANDS)

Note 5—Retirement plans (continued)

The funded status of United Way's Plan as of June 30, 2023 and 2022, and amounts to be recognized as components of net periodic pension cost, are shown below:

	2023	2022
Projected benefit obligation	$ (20,140)	$ (20,456)
Plan assets at fair value	15,261	14,349
Funded status	$ (4,879)	$ (6,107)
Items not yet recognized as a component of net periodic pension cost:		
Net loss	$ 3,140	$ 4,522

The reconciliation of items not yet recognized as components of net periodic benefit cost and the estimated effect in the next fiscal year of items not yet reflected in net periodic benefit cost is as follows:

	July 1, 2022	Reclassified as Net Periodic Benefit Cost	Amounts Arising During Period	Settlement Expense	June 30, 2023
Reconciliation of items not yet reflected in net periodic benefit cost:					
Net (gain) loss	$ 4,522	$ (315)	$ (1,067)	$ -	$ 3,140

	July 1, 2023	Estimated Amounts to be Reclassified as Net Periodic Benefit Cost
Estimated effect in next fiscal year of items not yet reflected in net periodic benefit cost:		
Net loss	$ -	$ 147

(DOLLARS IN THOUSANDS)

Note 5—Retirement plans (continued)

The following tables set forth the information related to the Plan as of June 30, 2023 and 2022 and the related changes for the years then ended:

	2023	2022
Projected benefit obligation, beginning of year	$ 20,456	$ 23,087
Service cost	419	488
Interest cost	885	554
Actuarial gains (losses)	(720)	(3,039)
Benefits paid	(499)	(493)
Settlements	(401)	(141)
Projected benefit obligation, end of year	$ 20,140	$ 20,456

	2023	2022
Fair value of Plan assets, beginning of year	$ 14,349	$ 16,654
Actual return on Plan assets	1,245	(2,289)
Employer contributions	750	800
Administrative expenses	(183)	(182)
Benefits paid	(499)	(493)
Settlements	(401)	(141)
Fair value of Plan assets, end of year	$ 15,261	$ 14,349
Reconciliation of funded status:		
Funded status	$ (4,879)	$ (6,107)
Unrecognized net loss	3,140	4,522
Net effect of adoption of recognition provisions of U.S. GAAP	(3,140)	(4,522)
Liability for pension benefits	$ (4,879)	$ (6,107)

	2023	2022
Components of net periodic benefit cost:		
Service cost	$ 603	$ 671
Interest cost	885	554
Expected return on Plan assets	(898)	(1,120)
Amortization of initial unrecognized net loss	315	260
Net periodic benefit cost	$ 905	$ 365

(DOLLARS IN THOUSANDS)

Note 5—Retirement plans (continued)

Weighted average assumptions as of the measurement date of June 30 are as follows:

	2023	2022
Discount rate	5.00%	4.50%
Postretirement interest rate	5.00%	4.50%
Expected return on assets	6.50%	6.50%
Rate of compensation increase	4.00%	4.00%

Approximate future benefit payments, reflecting expected future service, expected to be paid for years ending June 30:

2024	$	1,749
2025		1,643
2026		1,583
2027		1,513
2028		1,472
2029-2033		7,235
	$	15,195

Approximate future benefit payments were calculated based on the following weighted average assumptions as of July 1:

	2023	2022
Discount rate	4.50%	2.50%
Postretirement interest rate	4.50%	2.50%
Expected return on assets	6.50%	7.00%
Rate of compensation increase	4.00%	4.00%

Plan assets values and corresponding percentages by investment type at June 30 were:

	2023			2022		
		Amount	Percentage		Amount	Percentage
Equity mutual funds	$	9,243	61%	$	8,910	62%
traded funds		5,488	36%		4,913	34%
Cash and equivalents		530	3%		526	4%
	$	15,261	100%	$	14,349	100%

The Plan’s investments are public investment vehicles valued using the net asset value (“NAV”) provided by the administrator of the fund. NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. NAV is a quoted price in an active market and classified within Level 1 of the fair valuation hierarchy.

Note 5—Retirement plans (continued)

The expected long-term rate of return on Plan assets assumption of 6.50% was selected using the building block approach described by the Actuarial Standards Board in Actuarial Standards of Practice 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. Based on United Way's investment allocation for the pension plan in effect as of the beginning of the fiscal year, a best estimate range was determined for both the real rate of return (net of inflation) and for inflation based on survey-based and market-based inflation expectations. United Way's investment strategy is to invest approximately 60% of the funds in equity securities and approximately 40% in bonds and fixed income securities.

The estimated maximum employer contribution to the plan for the year ending June 30, 2024 is approximately $778; however, the final actuarially determined required amount could be less. United Way reserves the right to make additional contributions to the Plan. No Plan assets are expected to be returned to the United Way during the year ending June 30, 2024.

United Way also has a defined contribution thrift plan. The plan was established on January 1, 1987 and all employees of United Way are eligible to participate in the plan on the first day of the month following employment. During the years ended June 30, 2023 and 2022, United Way matched, subject to IRC limitations, employee contributions up to 6% of gross pay. United Way charged to expenses approximately $621 and $587 in 2023 and 2022, respectively, under the defined contribution thrift plan.

Note 6—Coronavirus Aid, Relief, and Economic Security Act

During the year ended June 30, 2023, United Way applied for and received $1,171 in grant funding from the Employee Retention Credit ("ERC") through the Coronavirus Aid, Relief, and Economic Security Act. Under the ERC program, United Way is eligible to take a credit against the employer's portion of social security taxes withheld on qualified wages. The amount of the credit is limited to employment taxes equal to 50% of the qualified wages an eligible employer pays to employees after March 12, 2020, and before January 1, 2021. The amount of the credit is limited to employment taxes equal to 70% of the qualified wages an eligible employer pays to employees after January 1, 2021 and before December 31, 2021. ERC is accounted for under ASC 958-605, *Not-for-Profit Entities – Revenue Recognition, and is reported as other income in the statement of activities.*

Note 7—Commitments and contingencies

United Way is subject to legal and other claims related to the normal course of business. In the opinion of management, there are no legal claims or other matters that, upon resolution, may result in a material impact on United Way's financial position and results of activities.

Commitments to allocate funds to United Way agencies and other allocations are dependent on the results of United Way's campaigns. United Way historically provides agencies with anticipated funding commitments in advance and generally funds those commitments on a quarterly basis. Such commitments are subject to adjustment based on final campaign results, including subsequent collections. The unrecorded commitment under these agreements is $508 and $963 for the years ended June 30, 2023 and 2022, respectively.

Federal programs are subject to financial and compliance audits by grantor agencies which, if instances of material noncompliance are found, may result in disallowed expenditures and affect United Way's continued participation in specific programs. The amount, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although United Way expects such amounts, if any, to be immaterial.

Note 8—Leases

United Way leases certain buildings and equipment. The determination of whether an arrangement is a lease is made at the lease's inception. For contracts entered into on or after the effective date or at the inception of a contract, the Organization assessed whether the contract is, or contains, a lease. The assessment is based on: (1) whether the contract involves the use of a distinct identified asset, (2) whether the United Way obtains the right to substantially all the economic benefit from the use of the asset throughout the period, and (3) whether the United Way has the right to direct the use of the asset.

The ROU assets and lease liabilities are recognized at the commencement date based on the present value of the future minimum lease payments over the lease term. Renewal and termination clauses are factored into the determination of the lease term if it is reasonably certain these options would be exercised by United Way. Lease assets are amortized over the lease term unless there is a transfer of title or purchase option reasonably certain of exercise, in which case the asset life is used. To determine the present value of lease payments, United Way uses the implicit rate when it is readily determinable. As most of the United Way's leases do not provide an implicit rate, United Way has elected to utilize the risk-free discount rate to calculate lease assets and liabilities.

United Way's lease agreements do not contain any material residual value guarantees or material restrictive covenants. United Way does not have leases where it is involved with the construction or design of an underlying asset. United Way has no material obligation for leases signed but not yet commenced as of June 30, 2023. United Way does not have any material sublease activities.

Practical Expedients Elected:

- United Way elected the three transition practical expedients that permit an entity to (a) not reassess whether expired or existing contracts contain leases, (b) not reassess lease classification for existing or expired leases, and (c) not consider whether previously capitalized initial direct costs would be appropriate under the ASC 842*, Leases*.

- United Way has elected the practical expedient not to recognize leases with terms of 12 months of less on the statement of financial position and instead recognize the lease payments on a straight-line basis over the term of the lease and variable lease payments in the period in which the obligation for the payments is incurred. Therefore, short-term lease expense for the period does not reflect ongoing short-term lease commitments.

- United Way has elected to account for lease and non-lease components as a single component.

- United Way has elected to utilize the risk-free discount rate to calculate lease assets and liabilities.

Equipment under a finance lease consists of a CISCO server with a carrying value as of June 30, 2023 of $122, representing capitalized cost of $169 less accumulated amortization of $47 and is reported in land, buildings, and equipment, net in the statement of financial position at June 30, 2023.

(DOLLARS IN THOUSANDS)

Note 8—Leases (continued)

Future minimum lease payments as of June 30, 2023 is as follows:

Years Ending June 30,	Operating	Finance
2024	$ 70	$ 58
2025	50	58
Total lease payments	120	116
Less interest	(3)	(2)
Present value of lease liabilities	$ 117	$ 114

Required supplemental information relating to United Way's leases for the year ended June 30, 2023 is as follows:

Lease Costs:	
Operating lease cost, included in rent expense	$ 134
Financing lease amortization of assets, included in depreciation and amortization	47
Financing lease interest, included in interest expense	3
Short-term lease expense, included in rent expense	167
Net operating and finance lease cost	$ 351
Lease Term (in months) and Discount Rate:	
Weighted average remaining lease term - operating leases	1.68
Weighted average remaining lease term - financing leases	2.17
Weighted average discount rate - operating leases	2.80%
Weighted average discount rate - financing leases	3.54%

Note 9—Line of credit and bonds payable

United Way had an available line of credit with Truist Bank with maximum borrowings of $5,000 for the years ended June 30, 2023 and 2022. The line of credit interest rate is the maximum of 30-day LIBOR plus 1.5% and not less than 2.25%. The line of credit agreement terminated during the year ended June 30, 2023. At June 30, 2022, there were no outstanding borrowings on the line of credit.

At June 30, 2022, United Way had $292 outstanding on their existing bonds payable with Truist Bank. During the year ended June 30, 2023, all bond obligations were paid in full.

(DOLLARS IN THOUSANDS)

Note 10—Fair value measurements of assets and liabilities

Required disclosures concerning the estimated fair value of financial instruments have been determined based on United Way's assessment of the available market information and appropriate valuation methodologies. The following tables summarize the valuation of United Way's financial assets measured at fair value at June 30, 2023 and 2022, respectively, based on the level of input utilized to measure fair value:

	Fair Value Measurements at June 30, 2023:			
Description:	Level 1	Level 2	Level 3	Total
Investments:				
Certificates of deposit	$ 50	$ -	$ -	$ 50
Mutual funds:				
Equity securities funds	16,105	-	-	16,105
Fixed income funds	21,509	-	-	21,509
Subtotal investments	37,664	-	-	37,664
Beneficial interest in assets held by others	-	-	935	935
	$ 37,664	$ -	$ 935	$ 38,599

	Fair Value Measurements at June 30, 2022:			
Description:	Level 1	Level 2	Level 3	Total
Investments:				
Certificates of deposit	$ 50	$ -	$ -	$ 50
Mutual funds:				
Equity securities funds	12,512	-	-	12,512
Fixed income funds	24,166	-	-	24,166
Subtotal investments	36,728	-	-	36,728
Beneficial interest in assets held by others	-	-	880	880
	$ 36,728	$ -	$ 880	$ 37,608

Level 3 Reconciliation – The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompanying statements of financial position using significant unobservable (Level 3) inputs:

	Beneficial Interest in Assets Held by Others
Balance, July 1, 2021	$ 1,064
Net investment return	(142)
Distributions	(42)
Balance, June 30, 2022	880
Net investment return	99
Distributions	(44)
Balance, June 30, 2023	$ 935

(DOLLARS IN THOUSANDS)

Note 10—Fair value measurements of assets and liabilities (continued)

United Way's beneficial interest in funds held at the Community Foundation of Greater Atlanta are considered by United Way to be Level 3 investments because they represent receivables to be paid from the investments managed by the Community Foundation of Greater Atlanta. United Way has no ownership interest in the underlying investment and the fair value of the investments is used by management of the Community Foundation of Greater Atlanta to determine the fair value of the payable to United Way.

Unobservable (Level 3) Inputs – The following tables present qualitative information about unobservable inputs used in the recurring Level 3 measurements at June 30:

	Fair Value at June 30, 2023	Valuation Technique	Unobservable Inputs	Range (Weighted Average)
Beneficial interest in assets held by others	$ 935	Fair value of underlying investments	Timing of realization	N/A

	Fair Value at June 30, 2022	Valuation Technique	Unobservable Inputs	(Weighted Average)
Beneficial interest in assets held by others	$ 880	Fair value of underlying investments	Timing of realization	N/A

Investment return, net for the years ended June 30 consisted of the following:

	2023	2022
Interest and dividends, net of expenses	$ 993	$ 451
Net realized and unrealized gains (losses) on investments	1,775	(4,290)
Unrealized gains (losses) on beneficial interest in assets held by others	99	(142)
	$ 2,867	$ (3,981)

(DOLLARS IN THOUSANDS)

Note 11—Net assets with donor restrictions

Net assets with donor restrictions as of June 30, 2023 and 2022 are restricted as follows:

	2023	2022
Subject to purpose restrictions:		
Strong Learners	$ 17,903	$ 10,108
College and Career Ready	2,343	2,525
Brighter Future	288	71
Economic Stability	17,170	28,345
COVID-19	240	443
Other direct assistance	3,659	2,737
Facilities maintenance	-	68
Total subject to purpose restrictions	41,603	44,297
Subject to time restrictions:		
Time restrictions	1,237	394
Total subject to purpose and time restrictions	42,840	44,691
Endowments and other perpetual gifts:		
Beneficial interest in assets held by others	935	880
Endowments (subject to spending policy and appropriation):		
Corpus	3,661	3,322
Accumulated investment earnings	2,304	1,945
Total endowments	5,965	5,267
Total endowments and other perpetual gifts	6,900	6,147
Total net assets with donor restrictions	$ 49,740	$ 50,838

(DOLLARS IN THOUSANDS)

Note 11—Net assets with donor restrictions (continued)

Net assets released from restrictions during the years ended June 30, 2023 and 2022 consisted of the following:

	2023	2022
Subject to purpose restriction:		
Strong Learners	$ 11,989	$ 27,245
College and Career Ready	2,598	1,795
Brighter Future	667	1,465
Economic Stability	34,177	49,639
COVID-19	237	254
Other direct assistance	2,294	2,310
Facilities maintenance	68	-
	52,030	82,708
Subject to time restriction:		
Appropriation from endowment assets for expenditure	169	164
Pacesetter campaign	197	240
Donor specified time restriction	245	-
	611	404
Total net assets released from restriction	$ 52,641	$ 83,112

Note 12—Endowment funds

U.S. GAAP provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (“UPMIFA”) and also required disclosures about endowments funds.

The Board of Directors of United Way has interpreted the UPMIFA as requiring, absent explicit donor stipulations to the contrary, that the following amounts included in the endowment be classified as net assets with donor restrictions: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund be classified as net assets with donor restrictions.

In accordance with UPMIFA, United Way considers the following factors in making a determination to appropriate or accumulate donor-restricted endowments funds:

1. The duration and preservation of the fund.
2. The purposes of United Way 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 United Way.
7. The investment policies of United Way.

(DOLLARS IN THOUSANDS)

Note 12—Endowment funds (continued)

United Way's endowment consists of a donor-restricted fund established for a variety of purposes that are invested at a financial institution. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

United Way's endowment net assets composition for the years ended June 30, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
June 30, 2023:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$ -	$ 3,661	$ 3,661
Accumulated investment earnings	-	2,304	2,304
Total funds	$ -	$ 5,965	$ 5,965

	Without Donor Restrictions	With Donor Restrictions	Total
June 30, 2022:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$ -	$ 3,322	$ 3,322
Accumulated investment earnings	-	1,945	1,945
Total funds	$ -	$ 5,267	$ 5,267

Changes in the endowment net assets for the years ended June 30 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, July 1, 2022	$ -	$ 5,267	$ 5,267
Contributions	-	339	339
Investment return, net	-	528	528
Amounts appropriated for expenditure	-	(169)	(169)
Endowment net assets, June 30, 2023	$ -	$ 5,965	$ 5,965

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, July 1, 2021	$ -	$ 5,846	$ 5,846
Contributions	-	271	271
Investment return, net	-	(686)	(686)
Amounts appropriated for expenditure	-	(164)	(164)
Endowment net assets, June 30, 2022	$ -	$ 5,267	$ 5,267

(DOLLARS IN THOUSANDS)

Note 12—Endowment funds (continued)

Underwater Endowment Funds – From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the applicable state law requires United Way to maintain as corpus. United Way has interpreted UPMIFA to prohibit spending from underwater endowments in accordance with prudent measures required under law. There were no donor-restricted endowment funds that had a fair value below corpus as of June 30, 2023 or 2022.

Return Objectives and Risk Parameters – The Finance Committee of United Way, and ultimately United Way, adopted a revised investment policy and spending policy in March 2019. The policy seeks to preserve capital, control risk to ensure the risk assumed is commensurate with the given investment style and objectives, and adhere to the discipline set forth in the policy. United Way will endeavor to ensure, to the degree reasonably possible, that the endowment funds with which it is entrusted keep pace with inflation so that the original purpose of the donor(s) in establishing the endowment fund can be met in perpetuity.

Spending Policy and How the Investment Objectives Relate to Spending Policy – Authorized expenditures during the United Way's current fiscal year shall be 3.0% of the average total market value of the endowment for the trailing three-year period ending December 31. In the event the average annualized total return for the trailing three-year period fails to equal or exceed 3.0%, United Way shall distribute net income (defined as interest, dividends, and other income receipts from investments less expenses) until such time as the trailing three-year return equals or exceeds 3.0% again. In making distributions, United Way shall execute upon the approval of the Finance Committee and the Board of Directors to use both the net income and net capital appreciation (defined as realized and unrealized appreciation in the fair market value of the investments) in excess of the fund's historic dollar value (i.e., corpus).

Strategies Employed for Achieving Objectives – Accordingly, United Way has adopted the following investment allocation guidelines.

The equity and alternative portion shall represent between 50% and 70% of the total portfolio with a target of 60% and will be invested as follows:

	Low	High
Large Company Stocks	20%	40%
Mid-Cap Company Stocks	2%	15%
Small-Cap Company Stocks	2%	15%
International Stocks	2%	20%
Alternatives (Total Investments)	3%	15%

The fixed income (bond) portion shall represent between 30% and 50% of the total portfolio with a target of 40% and shall consist of primarily investment-grade U.S. or foreign corporate debt securities, U.S. Treasury or foreign government obligations, assets, and mortgage-backed securities.

(DOLLARS IN THOUSANDS)

Note 13—Gifts-in-kind

Gift-in-kind revenue for the years ended June 30 consisted of the following:

	2023	2022
Toys	$ 10,283	$ 12,128
COVID-19 personal protective supplies	-	551
Marketing and media advertisements	78	197
Other	136	182
Total gifts-in-kind revenue	$ 10,497	$ 13,058

United Way generally receives contributed nonfinancial assets and deploys them back into the community along with its mission and vision of helping those in the greater Atlanta area drive sustainable and equitable improvements in the well-being of children, families, and individuals in the community. United Way recognizes these in-kind contributed nonfinancial assets at their estimated fair value on the date of receipt. United Way also receives donated marketing and media advertisements that are reported using current rates for similar marketing and media services. Contributed nonfinancial assets are generally not sold but are distributed throughout greater Atlanta in accordance with United Way's mission and vision. No contributed nonfinancial assets with donor restrictions were received during the year ended June 30, 2023.

United Way also recognizes contributed services as gift-in-kind revenues at their estimated fair value on the date of receipt if they create or enhance nonfinancial assets or they require specialized skills that would need to be purchased if they were not donated. United Way pays for substantially all services that would otherwise meet the requirements to be recorded as contributed services. During the years ended June 30, 2023 and 2022, there were no such contributed services received.

A substantial number of unpaid volunteers have made significant contributions of their time to United Way's programs and fundraising campaigns. These donated services are not reflected in the statements of activities since they do not meet the criteria for recognition as contributed services.

Note 14—Related parties

United Way is the sole member of 24/7 Gateway, LLC, a 501(c)(3) exempt organization under the IRC. Because United Way is not actively involved in the management of 24/7 Gateway, LLC and does not appoint the Board of Directors or otherwise exercise control, operations of 24/7 Gateway, LLC are not consolidated in these financial statements. United Way recorded allocations payable to 24/7 Gateway, LLC at June 30, 2023 and 2022 of approximately $112 and $112, respectively. Allocations and expenses within the accompanying statements of activities for 24/7 Gateway, LLC for the years ended June 30, 2023 and 2022 are approximately $295 and $440, respectively.

Note 15—Transfer of assets to CareerRise

United Way was the fiscal agent for the CareerRise program since its inception in 2011. Effective May 12, 2021, CareerRise became a separate 501(c)(3) exempt organization. Effective December 31, 2022, United Way and CareerRise separated and United Way no longer serves as CareerRise's fiscal agent. As of June 30, 2023, United Way held assets totaling $1,743 associated with CareerRise programing. This amount is recorded as a transfer of assets on the statement of activities for the year ended June 30, 2023. Of this amount, $1,500 is reflected as a reduction in cash and the remaining amount of $243 is reported in accounts payable and accrued liabilities in the statement of financial position at June 30, 2023.

Note 16—Subsequent events

United Way has evaluated subsequent events through December 14, 2023, which was the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

UNITED WAY OF GREATER ATLANTA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2023

Federal Grantor/ Pass-through Grantor/Program Title	Assistance Listing Number	Amount Passed Through to Subrecipient	Total Federal Expenditures
Federal Awards			
U.S. Department of Justice:			
Pass-through from the Office of the Governor			
Criminal Justice Coordinating Council	16.575	$ -	$ 276,941
Juvenile Mentoring Program	16.726	-	30,762
Total U.S. Department of Justice		-	307,703
U.S. Department of Housing and Urban Development:			
Pass-through from Atlanta Housing Authority			
Choice Neighborhoods Implementation Grant Program	14.889	-	96,675
Pass-through from City of Atlanta, Georgia			
HOPWA CV Emergency Rental Assistance Services	14.241	-	598,487
Total U.S. Department of Housing and Urban Development		-	695,162
Department of the Treasury:			
Direct Programs:			
Volunteer Income Tax Assistance (VITA) Matching Grant Program	21.009	-	345,128
Pass Through Programs:			
Pass-through from the City of Atlanta, Georgia			
COVID-19 - Emergency Rental Assistance Program	21.023	425,626	10,017,168
Pass-through from Gwinnett County, Georgia			
COVID-19 - Emergency Rental Assistance Program	21.023	-	1,878,642
		425,626	11,895,810
Pass-through from Gwinett County, Georgia			
Coronavirus Local Fiscal Recovery Funds	21.027	4,252,500	4,419,968
Total Department of the Treasury		4,678,126	16,660,906
Total Expenditures of Federal Awards		**$ 4,678,126**	**$ 17,663,771**

Note 1—Basis of presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the United Way of Greater Atlanta, Inc. ("United Way") under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because this Schedule presents only a selected portion of the operations of United Way, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of United Way.

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 2 CFR Part 230, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3—Contingencies

These federal programs are subject to financial and compliance audits by grantor agencies which, if instances of material noncompliance are found, may result in disallowed expenditures and may affect United Way's continued participation in specific programs. The amount, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although United Way expects such amounts, if any, to be immaterial.

Note 4—Indirect cost rate

When applicable, United Way has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance. For the pass-through funds received from the Department of Treasury, specifically the Emergency Rental Assistance Program (Assistance Listing Number 21.023), the Treasury guidance allowed specific indirect cost rates in excess of 10%.

Cherry Bekaert LLP
Your Guide Forward

Report of Independent Auditor 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 Greater Atlanta, Inc.
Atlanta, Georgia

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 Greater Atlanta, Inc. ("United Way") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023 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 December 14, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered United Way's internal control over financial reporting ("internal control") as a basis for designing 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's internal control. Accordingly, we do not express an opinion on the effectiveness of United Way'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether United Way'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 financial statements. 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 United Way's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering United Way's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP

Atlanta, Georgia
December 14, 2023

Cherry Bekaert LLP
Your Guide Forward

Report of Independent Auditor 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 Greater Atlanta, Inc.
Atlanta, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited United Way of Greater Atlanta, Inc.'s ("United Way") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of United Way's major federal programs for the year ended June 30, 2023. United Way's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, United Way 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, 2023.

Basis for Opinion on Each Major Federal Program

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"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of United Way and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of United Way's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to United Way's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on United Way's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, would influence the judgment made by a reasonable user of the report on compliance about United Way's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding United Way's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of United Way's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 United Way's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Cherry Bekaert LLP

Atlanta, Georgia
December 14, 2023

I. Summary of Auditor's Results

a) The type of report issued on the financial statements: **Unmodified**

b) Internal control over financial reporting:
Material weaknesses identified: **None reported**
Significant deficiencies identified: **None reported**

c) Noncompliance which is material to the financial statements: **No**

d) Internal control over major programs:
Material weaknesses identified: **None reported**
Significant deficiencies identified: **None reported**

e) The type of report issued for major programs: **Unmodified**

f) Any audit findings which are required to be reported in accordance with 2 CFR Section 200.516(a) of Uniform Guidance: **No**

g) Identification of major programs:

21.023 COVID-19 – Emergency Rental Assistance Program

21.027 COVID-19 – Coronavirus State and Local Fiscal Recovery Funds

h) Dollar threshold used to distinguish between Type A and Type B programs: **$750,000**

i) Auditee qualified as a low-risk auditee: **Yes**

II. Financial Statement Findings

None noted.

III. Federal Award Findings and Questioned Costs

None noted.