



United Way of Greater Richmond & Petersburg

Financial Statements

June 30, 2022 and 2021



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UNITED WAY OF GREATER RICHMOND & PETERSBURG

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Way of Greater Richmond & Petersburg
Richmond, Virginia:

Opinion

We have audited the accompanying financial statements of the United Way of Greater Richmond & Petersburg (the "Organization"), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, cash flows and functional expenses 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 of Greater Richmond & Petersburg, as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in 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 Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 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 Organization's ability to continue as a going concern within one year after the date that 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 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.

Auditor's Responsibilities for the Audit of the Financial Statements, Continued

Misstatements, including omissions, 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, 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 the Organization'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 the Organization'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 audit, significant audit findings, and certain internal control related matters that we identified during the audits.

Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information provided on pages 28 through 31 is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits 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. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



November 3, 2022
Glen Allen, Virginia

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Statements of Financial Position
June 30, 2022 and 2021

Assets	2022	2021
Current assets:		
Cash and cash equivalents	\$ 4,653,365	\$ 10,206,508
Cash restricted for pension termination (Note 9)	2,662,627	-
Pledges receivable:		
Campaign 20/21 - net of allowance of \$300,851	-	1,416,535
Campaign 21/22 - net of allowance of \$273,189	1,153,465	-
Other receivables	192,635	70,476
Other assets	54,045	46,601
Total current assets	8,716,137	11,740,120
Beneficial interest in trusts (Note 2)	1,712,424	5,007,490
Investments (Note 3)	6,293,492	5,128,910
Leasehold improvements and equipment at cost less accumulated depreciation (Note 4)	164,067	208,143
Total assets	\$ 16,886,120	\$ 22,084,663

See accompanying notes to financial statements.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Statements of Financial Position, Continued
June 30, 2022 and 2021

<u>Liabilities and Net Assets</u>	<u>2022</u>	<u>2021</u>
Current liabilities:		
Allocations payable	\$ 1,440,000	\$ 1,439,999
Designations payable	4,710,828	10,110,189
Accrued expenses	143,388	196,773
Funds held for pension termination (Note 9)	2,662,627	-
Deferred revenue	-	387,447
Accounts payable	11,134	-
Funds held for others (Note 5)	<u>28,464</u>	<u>14,130</u>
Total current liabilities	8,996,441	12,148,538
PPP loan (Note 10)	<u>-</u>	<u>485,872</u>
Total liabilities	<u>8,996,441</u>	<u>12,634,410</u>
Net Assets:		
Without donor restrictions (Note 6):		
Beneficial interest in trusts	968,578	4,100,000
Board designated:		
Reserves	1,440,000	1,879,149
Pension plan obligation	-	360,344
United Way operations	3,954,865	1,519,362
Leasehold improvements and equipment	<u>164,067</u>	<u>208,146</u>
Total board designated	<u>5,558,932</u>	<u>3,967,001</u>
Total without donor restrictions	<u>6,527,510</u>	<u>8,067,001</u>
With donor restrictions (Note 7):		
Annual campaign designated for future periods	220,000	169,287
Beneficial interest in trusts	743,846	907,490
Other with donor restrictions	<u>398,323</u>	<u>306,475</u>
Total with donor restrictions	<u>1,362,169</u>	<u>1,383,252</u>
Total net assets	<u>7,889,679</u>	<u>9,450,253</u>
Total liabilities and net assets	<u>\$ 16,886,120</u>	<u>\$ 22,084,663</u>

See accompanying notes to financial statements.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Statements of Activities Year Ended June 30, 2022, with Comparative Totals for 2021

	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Total
Revenues, gains and other support:				
Gross campaign pledges 2021 / 2023	\$ -	\$ 6,836,341	\$ 6,836,341	\$ 7,677,280
Less donor designations	-	(2,976,906)	(2,976,906)	(3,401,675)
Less provision for uncollectible pledges	-	(295,852)	(295,852)	(593,335)
Subtotal campaign revenue 2021 / 2023	<u>-</u>	<u>3,563,583</u>	<u>3,563,583</u>	<u>3,682,270</u>
Energy Share contributions	-	12,578,578	12,578,578	11,548,478
Less donor designations - Energy Share	-	(12,578,578)	(12,578,578)	(11,548,478)
Subtotal Energy Share contribution 2021 / 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Gross campaign pledges prior year's:				
Contributions received	48,561	-	48,561	-
Recovery of designation expense	67,794	-	67,794	-
Less additional shrinkage	(24,317)	-	(24,317)	-
Subtotal prior year's campaign revenue	<u>92,038</u>	<u>-</u>	<u>92,038</u>	<u>-</u>
Contributions received released from restrictions				
	19,584,206	(19,584,206)	-	-
Donor designations	(15,555,484)	15,555,484	-	-
Provision for uncollectible pledges	(295,852)	295,852	-	-
Net current period campaign	<u>3,732,870</u>	<u>(3,732,870)</u>	<u>-</u>	<u>-</u>
Gross campaign pledges future year	-	220,000	220,000	169,067
Total campaign revenue	<u>3,824,908</u>	<u>50,713</u>	<u>3,875,621</u>	<u>3,851,337</u>
Contributions	500	940,573	941,073	168,405
Memorials and bequests	-	-	-	4,100,000
Net public support	<u>3,825,408</u>	<u>991,286</u>	<u>4,816,694</u>	<u>8,119,742</u>
Grants from governmental agencies	<u>-</u>	<u>160,906</u>	<u>160,906</u>	<u>623,920</u>
Other revenue:				
Third party processing fees	591,096	-	591,096	275,402
Sponsorships	13,000	6,500	19,500	5,750
Miscellaneous	20,857	-	20,857	-
PPP loan forgiveness	485,872	-	485,872	494,717
Investment income, net	605,237	-	605,237	279,718
Trust income	36,183	-	36,183	32,224
Unrealized (loss) gain, investments	(1,272,076)	-	(1,272,076)	715,271
Unrealized (loss) gain, beneficial interest in trusts	-	(163,644)	(163,644)	147,089
Endowment income	244,067	-	244,067	245,079
Designations from other United Ways	25,835	-	25,835	7,735
Fees from donor designations	69,974	-	69,974	16,434
Net other revenue	<u>820,045</u>	<u>(157,144)</u>	<u>662,901</u>	<u>2,219,419</u>
Net assets released from restrictions (Note 8)	<u>1,016,131</u>	<u>(1,016,131)</u>	<u>-</u>	<u>-</u>
Net public support and other revenue	<u>5,661,584</u>	<u>(21,083)</u>	<u>5,640,501</u>	<u>10,963,081</u>

See accompanying notes to financial statements.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Statements of Activities, Continued
Year Ended June 30, 2022, with Comparative Totals for 2021

	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Total
Allocations and expenses:				
Program services:				
Gross allocations	\$ 18,435,484	\$ -	\$ 18,435,484	\$ 17,830,153
Less donor designations	<u>(15,555,484)</u>	<u>-</u>	<u>(15,555,484)</u>	<u>(14,950,153)</u>
Net allocations	2,880,000	-	2,880,000	2,880,000
Community planning and allocations	878,482	-	878,482	1,963,862
Community initiatives	<u>1,363,345</u>	<u>-</u>	<u>1,363,345</u>	<u>815,155</u>
Total program services	<u>5,121,827</u>	<u>-</u>	<u>5,121,827</u>	<u>5,659,017</u>
Supporting services:				
Fundraising	1,417,234	-	1,417,234	1,568,442
Management and general	<u>662,014</u>	<u>-</u>	<u>662,014</u>	<u>664,796</u>
Total supporting services	<u>2,079,248</u>	<u>-</u>	<u>2,079,248</u>	<u>2,233,238</u>
Total expenses	<u>7,201,075</u>	<u>-</u>	<u>7,201,075</u>	<u>7,892,255</u>
Change in net assets	(1,539,491)	(21,083)	(1,560,574)	3,070,826
Net assets, beginning of year	<u>8,067,001</u>	<u>1,383,252</u>	<u>9,450,253</u>	<u>6,379,427</u>
Net assets, end of year	<u>\$ 6,527,510</u>	<u>\$ 1,362,169</u>	<u>\$ 7,889,679</u>	<u>\$ 9,450,253</u>

See accompanying notes to financial statements.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Statement of Activities Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support:			
Gross campaign pledges 2020 / 2022	\$ -	\$ 7,677,280	\$ 7,677,280
Less donor designations	-	(3,401,675)	(3,401,675)
Less provision for uncollectible pledges	-	(593,335)	(593,335)
Subtotal campaign revenue 2020 / 2022	<u>-</u>	<u>3,682,270</u>	<u>3,682,270</u>
Energy Share contributions	-	11,548,478	11,548,478
Less donor designations - Energy Share	-	(11,548,478)	(11,548,478)
Subtotal Energy Share contribution 2020 / 2021	<u>-</u>	<u>-</u>	<u>-</u>
Contributions received released from restrictions	19,225,758	(19,225,758)	-
Donor designations	<u>(14,950,153)</u>	<u>14,950,153</u>	<u>-</u>
Net current period campaign	<u>4,275,605</u>	<u>(4,275,605)</u>	<u>-</u>
Gross campaign pledges future year	-	169,067	169,067
Total campaign revenue	<u>4,275,605</u>	<u>(424,268)</u>	<u>3,851,337</u>
Contributions	-	168,405	168,405
Memorials and bequests	<u>4,100,000</u>	<u>-</u>	<u>4,100,000</u>
Net public support	<u>8,375,605</u>	<u>(255,863)</u>	<u>8,119,742</u>
Grants from governmental agencies	<u>-</u>	<u>623,920</u>	<u>623,920</u>
Other revenue:			
Third party processing fees	275,402	-	275,402
PPP loan forgiveness	494,717	-	494,717
Sponsorships	5,750	-	5,750
Investment income, net	279,718	-	279,718
Trust income	32,224	-	32,224
Unrealized gain, investments	715,271	-	715,271
Unrealized gain, beneficial interest in trusts	147,089	-	147,089
Endowment income	245,079	-	245,079
Designations from other United Ways	7,735	-	7,735
Fees from donor designations	<u>16,434</u>	<u>-</u>	<u>16,434</u>
Net other revenue	<u>2,219,419</u>	<u>-</u>	<u>2,219,419</u>
Net assets released from restrictions (Note 8)	<u>1,002,701</u>	<u>(1,002,701)</u>	<u>-</u>
Net public support and other revenue	<u>11,597,725</u>	<u>(634,644)</u>	<u>10,963,081</u>

See accompanying notes to financial statements.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Statement of Activities, Continued
Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
	<u> </u>	<u> </u>	<u> </u>
Allocations and expenses:			
Program services:			
Gross allocations	\$ 17,830,153	\$ -	\$ 17,830,153
Less donor designations	<u>(14,950,153)</u>	<u>-</u>	<u>(14,950,153)</u>
Net allocations	2,880,000	-	2,880,000
Community planning and allocations	1,963,862	-	1,963,862
Community initiatives	<u>815,155</u>	<u>-</u>	<u>815,155</u>
Total program services	<u>5,659,017</u>	<u>-</u>	<u>5,659,017</u>
Supporting services:			
Fundraising	1,568,442	-	1,568,442
Management and general	<u>664,796</u>	<u>-</u>	<u>664,796</u>
Total supporting services	<u>2,233,238</u>	<u>-</u>	<u>2,233,238</u>
Total expenses	<u>7,892,255</u>	<u>-</u>	<u>7,892,255</u>
Change in net assets	3,705,470	(634,644)	3,070,826
Net assets, beginning of year	<u>4,361,531</u>	<u>2,017,896</u>	<u>6,379,427</u>
Net assets, end of year	<u>\$ 8,067,001</u>	<u>\$ 1,383,252</u>	<u>\$ 9,450,253</u>

See accompanying notes to financial statements.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Statements of Cash Flows Years Ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ (1,560,574)	\$ 3,070,826
Adjustments to reconcile change in net assets to net cash from operating activities:		
Unrealized net investment loss (gain)	1,272,076	(715,271)
Reinvested investment income, net	(605,237)	(279,718)
Loss on disposal of equipment	-	18,636
Unrealized loss (gain) on trusts	163,644	(147,089)
Depreciation	47,563	35,914
PPP loan forgiveness	(485,872)	(494,717)
Changes in operating assets and liabilities:		
Pledges receivable	263,070	628,215
Other receivables	(122,159)	(6,142)
Beneficial interest in trusts	3,131,422	(4,100,000)
Other assets	(7,444)	18,121
Allocations payable	1	(12,503)
Designations payable	(5,399,361)	4,858,326
Accrued expenses	(53,385)	23,575
Funds held for pension termination	2,662,627	-
Deferred revenue	(387,447)	187,447
Accounts payable	11,134	(344)
Funds held for others	14,334	(262,532)
	(1,055,608)	2,822,744
Net cash (used in) provided by operating activities		
Cash flows from investing activities:		
Purchase of investments	(1,831,421)	-
Net proceeds from sale of investments	-	714,321
Purchase of leasehold improvements and equipment	(3,487)	(197,556)
	(1,834,908)	516,765
Net cash (used in) provided by investing activities		
Cash flows provided by financing activities:		
Proceeds from PPP loan (Note 10)	-	485,872
	-	485,872
Net change in cash and cash equivalents and restricted cash	(2,890,516)	3,825,381
Cash and cash equivalents - beginning of year	10,206,508	6,381,127
Cash restricted for pension termination (Note 9) - beginning of year	-	-
Cash and cash equivalents and restricted cash, beginning of year	10,206,508	6,381,127
Cash and cash equivalents - end of year	4,653,365	10,206,508
Cash restricted for pension termination (Note 9) - end of year	2,662,627	-
Cash and cash equivalents and restricted cash, ending of year	\$ 7,315,992	\$ 10,206,508

See accompanying notes to financial statements.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Statements of Functional Expenses Year Ended June 30, 2022, with Comparative Totals for 2021

	Program Services			Support Services			2022 Total	2021 Total
	Community Planning and Allocations	Community Initiatives (see Supplemental Schedule)	Total	Fundraising	Management and General	Total		
Gross allocations	\$ 18,435,484	\$ -	\$ 18,435,484	\$ -	\$ -	\$ -	\$ 18,435,484	\$ 17,830,153
Less donor designations	(15,555,484)	-	(15,555,484)	-	-	-	(15,555,484)	(14,950,153)
Subtotal	2,880,000	-	2,880,000	-	-	-	2,880,000	2,880,000
Salaries	470,534	480,450	950,984	640,995	352,552	993,547	1,944,531	2,079,708
Health and retirement benefits	83,890	96,375	180,265	125,600	55,709	181,309	361,574	393,372
Payroll taxes	32,910	27,257	60,167	46,221	24,601	70,822	130,989	139,287
Moving and recruitment	-	-	-	-	9,917	9,917	9,917	152
Specific program expenses	-	407,096	407,096	-	-	-	407,096	985,092
Pension plan contributions	45,704	49,889	95,593	58,579	38,945	97,524	193,117	269,666
Professional fees	66,488	105,212	171,700	224,511	49,346	273,857	445,557	318,855
Supplies	5,546	8,786	14,332	6,362	2,303	8,665	22,997	70,540
Telephone	334	1,214	1,548	-	1,717	1,717	3,265	15,065
Postage and shipping	278	3,209	3,487	6,246	168	6,414	9,901	18,170
Occupancy	50,414	55,029	105,443	64,615	24,102	88,717	194,160	270,719
Equipment maintenance	33,319	32,166	65,485	42,704	28,391	71,095	136,580	159,468
Printing and publications	1,985	2,092	4,077	89,669	300	89,969	94,046	62,077
Travel and related expenses	2,362	1,135	3,497	4,201	260	4,461	7,958	6,540
Conferences, conventions, and meetings	3,685	2,927	6,612	2,748	2,227	4,975	11,587	5,014
Depreciation expense	11,257	12,287	23,544	14,427	9,592	24,019	47,563	35,914
Dues and subscriptions	-	2,057	2,057	925	2,427	3,352	5,409	14,690
Subtotal	808,706	1,287,181	2,095,887	1,327,803	602,557	1,930,360	4,026,247	4,844,329
Total before UWA dues	3,688,706	1,287,181	4,975,887	1,327,803	602,557	1,930,360	6,906,247	7,724,329
Loss on disposal of equipment	-	-	-	-	-	-	-	18,636
United Way Worldwide dues	69,776	76,164	145,940	89,431	59,457	148,888	294,828	149,290
Total functional expenses	<u>\$ 3,758,482</u>	<u>\$ 1,363,345</u>	<u>\$ 5,121,827</u>	<u>\$ 1,417,234</u>	<u>\$ 662,014</u>	<u>\$ 2,079,248</u>	<u>\$ 7,201,075</u>	<u>\$ 7,892,255</u>

Note: Specific program expenses mainly include external program related costs including contracting for Youth Program Quality Intervention ("YPQI"), payments to energy vendors and other specific program activities.

See accompanying notes to financial statements.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Statement of Functional Expenses
Year Ended June 30, 2021

	Program Services			Support Services			Total
	Community Planning and Allocations	Community Initiatives (see Supplemental Schedule)	Total	Fundraising	Management and General	Total	
Gross allocations	\$ 17,830,153	\$ -	\$ 17,830,153	\$ -	\$ -	\$ -	\$ 17,830,153
Less donor designations	(14,950,153)	-	(14,950,153)	-	-	-	(14,950,153)
Subtotal	2,880,000	-	2,880,000	-	-	-	2,880,000
Salaries	668,952	341,495	1,010,447	751,283	317,978	1,069,261	2,079,708
Health and retirement benefits	117,560	90,221	207,781	128,048	57,543	185,591	393,372
Payroll taxes	44,196	18,111	62,307	54,691	22,289	76,980	139,287
Moving and recruitment	-	-	-	-	152	152	152
Specific program expenses	798,860	185,063	983,923	1,169	-	1,169	985,092
Pension plan contributions	86,293	32,360	118,653	102,473	48,540	151,013	269,666
Professional fees	60,897	29,592	90,489	174,135	54,231	228,366	318,855
Supplies	2,842	16,034	18,876	47,236	4,428	51,664	70,540
Telephone	4,706	2,029	6,735	3,928	4,402	8,330	15,065
Postage and shipping	3,061	2,830	5,891	9,272	3,007	12,279	18,170
Occupancy	89,390	33,521	122,911	106,151	41,657	147,808	270,719
Equipment maintenance	46,010	23,163	69,173	54,451	35,844	90,295	159,468
Printing and publications	2,517	114	2,631	59,446	-	59,446	62,077
Travel and related expenses	1,450	1,474	2,924	3,576	40	3,616	6,540
Conferences, conventions, and meetings	245	1,815	2,060	346	2,608	2,954	5,014
Depreciation expense	7,901	7,901	15,802	13,647	6,465	20,112	35,914
Miscellaneous	-	450	450	1,745	12,495	14,240	14,690
Subtotal	1,934,880	786,173	2,721,053	1,511,597	611,679	2,123,276	4,844,329
Total before UWA dues	4,814,880	786,173	5,601,053	1,511,597	611,679	2,123,276	7,724,329
Loss on disposal of equipment	4,100	4,100	8,200	7,082	3,354	10,436	18,636
United Way Worldwide dues	24,882	24,882	49,764	49,763	49,763	99,526	149,290
Total functional expenses	\$ 4,843,862	\$ 815,155	\$ 5,659,017	\$ 1,568,442	\$ 664,796	\$ 2,233,238	\$ 7,892,255

Note: Specific program expenses mainly include external program related costs including contracting for YPQI, payments to energy vendors and other specific program activities.

See accompanying notes to financial statements.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Notes to Financial Statements

1. Nature of Activities and Significant Accounting Policies:

Nature of Organization: United Way of Greater Richmond & Petersburg (the “Organization”) helps build capacity in critical programs and services to prepare children, help families and individuals achieve financial stability, and support the health and wellness of older adults. Working together with organizations and individuals throughout greater Richmond and Petersburg, the Organization is changing and improving lives not only in the moment of need, but for the long-term. The majority of the revenues come from the annual campaign. The campaign raises both funds with donor restrictions and funds without donor restrictions. The funds without donor restrictions are allocated by local volunteers, who serve on the allocation panels of the Organization’s Planning and Allocations Division, and the allocations are approved by the Board of Directors.

Basis of Accounting: The accompanying financial statements are presented in accordance with the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (“GAAP”) as determined by the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification.

Classifications of Net Assets: The financial statements are presented in accordance with FASB accounting guidance for financial statements of not-for-profit organizations, which establishes standards for financial statements issued by nonprofit organizations. It requires that net assets and related revenue and expenses be classified in two classes of net assets – net assets without donor restrictions and net assets with donor restrictions, based upon the existence or absence of donor-imposed restrictions. A definition and description of each net asset class follows:

Net Assets Without Donor Restrictions: Net assets without donor restrictions are not subject to donor-imposed restrictions. Net assets without donor restrictions include the revenues and expenses of the primary operations of the Organization. Board designated funds as assessed by the Board of Directors are a component of net assets without donor restrictions and consist of amounts included within the endowment for use of future mission related projects. Additions and disbursements to the board designated funds occur at the discretion of the Board of Directors. The following describes the purpose of each board designation:

- Reserves – funds designated for future operating needs
- Pension plan obligation – funds designated for multiagency pension plan to cover out of business affiliates (see Note 9)
- United Way operations – funds designated for current operating needs
- Leasehold improvements and equipment – funds designated for future capital purchases and projects.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Notes to Financial Statements, Continued

1. Nature of Activities and Significant Accounting Policies, Continued:

Classifications of Net Assets, Continued:

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 donor-imposed stipulations for specific operating purposes. When a donor restriction expires, net assets with donor restrictions may be reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Other donor-imposed restrictions are perpetual in nature, whereby the donor stipulates that they be maintained permanently by the Organization to use all or part of the income earned on any related investments for general or specific purposes, in accordance with the conditions of each specific donation. Net assets with permanent donor restrictions consist of beneficial interest in trusts of \$743,846 as of June 30, 2022 and \$907,490 as of June 30, 2021.

Pledges and Allocations: Pledges to the Organization, net of estimated uncollectible amounts, are recognized as revenue or gains in the period received and as assets, decrease of liabilities, or expenses depending on the form of benefits received. Allocations to agencies approved prior to the allocation year are deducted from annual campaign support designated for future periods and are reported as liabilities until paid. All contributions are considered available for use without restrictions unless specifically restricted by the donor. Pledges are recorded in the Statements of Financial Position when received, and allowances are provided for amounts estimated to be uncollectible. All uncollected pledges are charged off at the end of the second year following the year in which they were pledged. The amounts estimated to be uncollectible are determined by historical trends and current economic and environmental factors and approved by the Board of Directors. Pledges that are raised by the Organization but paid directly to the designated agency by the company or a third party, totaled \$1,136,017 and \$1,393,644 for the years ended June 30, 2022 and 2021, respectively.

Cash and Cash Equivalents: For purposes of the Statements of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash and equivalents.

Restricted Cash: In connection with the termination of the pension plan (see Note 9), the Organization holds \$2,662,627 as of June 30, 2022 and \$0 as of June 30, 2021, of cash restricted, in a separate cash account, for the purpose of paying the remaining payouts and expenses for the pension termination.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Notes to Financial Statements, Continued

1. Nature of Activities and Significant Accounting Policies, Continued:

Use of Estimates: Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual events and circumstances could alter those estimates.

Investments: Investments are comprised of a mutual fund and money market fund and are reported in the statements of financial position at their fair values based on quoted market prices (see Note 3). Investments are exposed to various risks, such as interest rate, market, and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the risks in the near term could materially affect amounts reported on the financial statements.

Leasehold Improvements and Equipment: Leasehold improvements and equipment are recorded at cost for purchased assets and at fair market value at the date of receipt for contributed assets. Depreciation is computed by the straight-line method over the estimated useful lives of the assets ranging from 5 to 10 years using the straight-line and MACRS methods. Expenditures for maintenance and repairs are charged to expense, while expenses for major improvements are capitalized. The cost and accumulated depreciation are removed from the accounts for property sold or retired and any resulting gain or loss is included in operations.

Paycheck Protection Program (“PPP”) Loan: The Organization’s policy was to account for the PPP loans as debt until either (1) the loan was partially or entirely forgiven and the debtor was legally released, at which point the amount forgiven would be recorded into income, or (2) the Organization paid off the loan. The second loan was included as note payable on the accompanying Statements of Financial Position as of June 30, 2021 and was fully forgiven and recorded in income in 2022. The first loan was fully forgiven and recorded in income in 2021.

Donated Services: In September 2020, the FASB issued new guidance related to contributions of non-financial assets received (ASU 2020-07) which amends previous guidance concerning presentation and disclosure of non-financial assets received. Specifically, the amendments require (1) presentation as a separate line item of contributed non-financial assets and (2) disclosure of information about each category of non-financial assets. The adoption of this ASU did not have a material impact on the Organization’s financial statements. No amounts have been reflected in the financial statements for donated services because no objective basis is available to measure the value of such services. A substantial number of volunteers have donated significant amounts of their time to the Organization’s program services and fund raising campaigns.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Notes to Financial Statements, Continued

1. Nature of Activities and Significant Accounting Policies, Continued:

Tax Status: United Way of Greater Richmond & Petersburg is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and has been determined to be a charitable organization, which qualifies contributions, bequests and legacies as deductions by the donor for income, estate and gift tax purposes.

Income Tax Uncertainties: The Organization has adopted FASB guidance related to accounting for uncertainty in income taxes, which clarifies the accounting for income taxes by prescribing the minimum recognition threshold that a tax position is required to meet before being recognized in the Organization's financial statements. In accordance with the guidance, the Organization discloses the expected future tax consequences of uncertain tax positions presuming the taxing authorities' full knowledge of the facts and the Organization's position and records unrecognized tax benefits or liabilities for known, or anticipated tax issues based on the Organization's analysis of whether additional taxes would be due to the authority given their full knowledge of the tax position. The Organization accrues interest and penalties related to unrecognized tax benefits as other noncurrent liabilities and recognizes the related changes in the Organization's assessments as a component of income tax expense. The Organization has completed its assessment and determined that there were no tax positions, which would require recognition under the guidance. The Organization is not currently under audit by any tax jurisdiction.

Deferred Revenue: Deferred revenue consists of income which has been received in advance for administrative services provided as part of the Energy Share campaign (see Note 5). The income is recognized and transferred to the appropriate income accounts upon completion of the services provided.

Concentration of Credit Risk: Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and unsecured receivables.

Management believes the Organization's cash balances are maintained with quality financial institutions in order to offset the risk of loss that may occur when balances exceed the Federal Deposit Insurance Corporation insured limits on each account of \$250,000. The ability to collect pledges resulting from fund raising efforts is affected by general economic conditions in the Richmond-Petersburg, Virginia metropolitan area.

Reclassifications: Certain prior year balances have been reclassified to conform to the current year presentation.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Notes to Financial Statements, Continued

1. Nature of Activities and Significant Accounting Policies, Continued:

Functional Allocation of Expenses: The cost of providing various program and support activities have been summarized on a functional basis in the Statements of Activities. The Statements of Functional Expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Organization are reported as expenses of those functional areas, while indirect costs that benefit multiple functional areas have been allocated among various functional areas on several bases and estimates. Costs related to personnel are allocated amongst functions based upon the percentage of time each employee spends performing each function. Certain supplies and services have been allocated based on usage. Most other costs are evaluated on a per invoice basis to determine what functions have been served.

2. Beneficial Interest in Trusts:

The Organization is the partial beneficiary of two perpetual trusts established by split interest agreements. Split interest agreements are trust agreements established by donors under which the Organization receives benefits that are shared with other beneficiaries. The trust agreements established by the donors provide for a third party to hold the assets. The Organization's share of the market value, which approximates the present value of expected future cash receipts from the trust assets, was \$743,846 on June 30, 2022, and \$907,490 on June 30, 2021, which is classified as net assets with donor restrictions. Income received from these trusts was \$36,183 for the year ended June 30, 2022 and \$32,224 for the year ended June 30, 2021 and is classified as net assets with donor restrictions in the financial statements. In addition, the Organization was notified as being a beneficiary of a charitable remainder trust during the year ended June 30, 2021. The Organization's share of the market value recorded in June 2021, upon notification by the trustee, was \$4,100,000. The Organization received approximately 75% of its share in the trust in September 2021, which totaled \$3,131,422 in cash, and is expected to receive the remaining 25% once the underlying real estate held by the trust is sold. The \$4,100,000 was without donor restrictions.

3. Fair Value Measurements:

The Organization follows FASB guidance on fair value measurements. The provisions of the guidance provide a framework for measuring fair value under GAAP and defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. This guidance requires that valuation techniques maximize the use of observable inputs and minimizes the use of unobservable inputs. This guidance also established a fair value hierarchy which prioritizes the valuation inputs into three broad levels. Based on the underlying inputs, each fair value measurement in its entirety is reported in one of three levels:

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Notes to Financial Statements, Continued

3. Fair Value Measurements, Continued:

Level 1 – Unadjusted quoted prices that are available in active markets for the identical assets or liabilities at the measurement date. The Organization’s Level 1 assets include cash and cash equivalents, money market funds and mutual fund shares.

Level 2 – Other observable inputs available at the measurement date, other than quoted prices included in Level 1, either directly or indirectly, including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by other observable market data.

The Organization does not hold Level 2 assets or liabilities at fair value on the Statements of Financial Position.

Level 3 – Unobservable inputs that cannot be corroborated by observable market data and reflect the use of significant management judgment. These values are generally determined using pricing models for which the assumptions utilize management’s estimates of market participant assumptions.

Mutual funds: Valued at the closing price reported on the active market on which the funds are traded

Real estate: Valued based on appraisals, broker opinions and tax values

Assets measured at fair value on a recurring basis at June 30, 2022 include the following:

	Fair Value Using			Assets at Fair Value
	Level 1	Level 2	Level 3	
Assets:				
Investments:				
Cash equivalents	\$ 12,438	\$ -	\$ -	\$ 12,438
Mutual funds	<u>6,281,054</u>	<u>-</u>	<u>-</u>	<u>6,281,054</u>
Total investments	6,293,492	-	-	6,293,492
Assets held in trusts:				
Cash equivalents	948,779	-	-	948,779
Mutual funds	716,009	-	-	716,009
Real estate	<u>-</u>	<u>-</u>	<u>47,636</u>	<u>47,636</u>
Total assets held in trusts	1,664,788	-	47,636	1,712,424
Total	<u>\$ 7,958,280</u>	<u>\$ -</u>	<u>\$ 47,636</u>	<u>\$ 8,005,916</u>

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Notes to Financial Statements, Continued

3. Fair Value Measurements, Continued:

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

	Fair Value Using			Assets at Fair Value
	Level 1	Level 2	Level 3	
Assets:				
Investments:				
Cash equivalents	\$ 12,417	\$ -	\$ -	\$ 12,417
Mutual funds	5,116,493	-	-	5,116,493
Total investments	<u>5,128,910</u>	-	-	<u>5,128,910</u>
Assets held in trusts:				
Cash equivalents	4,059,118	-	-	4,059,118
Mutual funds	876,383	-	-	876,383
Real estate	-	-	71,989	71,989
Total assets held in trusts	<u>4,935,501</u>	-	<u>71,989</u>	<u>5,007,490</u>
 Total	 <u>\$10,064,411</u>	 <u>\$ -</u>	 <u>\$ 71,989</u>	 <u>\$ 10,136,400</u>

During 2022, certain real estate lots were sold within the underlying assets held by the charitable remainder trust of which the Organization is a beneficiary. There was no level 3 activity during 2021.

4. Leasehold Improvements and Equipment:

Leasehold improvements and equipment consisted of the following:

	2022	2021
Leasehold improvements	\$ 85,736	\$ 85,735
Furniture, equipment and software	<u>425,145</u>	<u>421,661</u>
	510,881	507,396
Less accumulated depreciation	<u>346,814</u>	<u>299,253</u>
Total	<u>\$ 164,067</u>	<u>\$ 208,143</u>

Depreciation expense amounted to \$47,563 and \$35,914 for the years ended June 30, 2022 and 2021, respectively.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Notes to Financial Statements, Continued

5. Funds Held for Energy Share and Others:

Energy Share:

Energy Share is a fuel assistance program that pays for the heating and cooling services of those individuals who cannot financially secure these services on their own. The Organization collects and distributes these contributions.

Effective July 1, 2017, United Way of Greater Richmond & Petersburg and Dominion Energy ("DE") executed an Energy Share agreement whereby DE makes a designated contribution to the Organization to manage the Energy Share program's funds. These designated contributions are shown as gross Energy Share Funds on the Statements of Activities.

Others:

The Organization is also an independent processor for third-party campaigns. Amounts collected, but not remitted at year end are reflected in funds held for others.

Funds held for Energy Share and others are reflected as revenues and expenses in the Statements of Activities.

Transactions for funds held for others consisted of the following for the years ended June 30:

	<u>2022</u>	<u>2021</u>
Balance, beginning	\$ 14,130	\$ 276,662
Amounts received	40,076	398,976
Amounts disbursed	<u>(25,742)</u>	<u>(661,508)</u>
Balance, ending	<u>\$ 28,464</u>	<u>\$ 14,130</u>

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Notes to Financial Statements, Continued

6. Net Assets without Donor Restrictions:

Net assets without donor restrictions as of June 30 consisted of the following:

	2022	2021
Edmund A Saunders Trust	\$ 968,578	\$ 4,100,000
Designated by the Board of Directors:		
Community Reserve Fund	1,440,000	1,879,149
Pension Plan obligation	-	360,344
United Way operations	3,954,865	1,519,362
Leasehold improvements and equipment net assets	164,067	208,146
Total without donor restrictions	\$ 6,527,510	\$ 8,067,001

7. Net Assets With Donor Restrictions:

Net assets with donor restrictions as of June 30 are available for the following purposes or periods:

	2022	2021
Education/Early Care:		
Youth Program Quality Initiative	\$ -	\$ 222,690
Kindergarten Countdown Camp	-	15,332
Income/Financial Stability:		
WomenRise	187,183	22,065
Metrocare	15,000	-
Workforce Development	134,379	46,388
Other		
Family Stability Initiative	60,000	-
9/11 Day of Service	1,761	-
Trusts		
Frank Brown Trust	484,937	596,577
Laura J Harris Trust	258,909	310,913
	1,142,169	1,213,965
Annual campaign desig. for future periods	220,000	169,287
	\$ 1,362,169	\$ 1,383,252

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Notes to Financial Statements, Continued

8. Net Assets Released from Restrictions:

Net assets with donor restrictions to be held in perpetuity include the trusts at June 30, 2022 and 2021. Such net assets are restricted to investment in perpetuity, the income of which is without donor restrictions.

Net assets released for expenses satisfying the restricted purposes of grants were as follows:

	<u>2022</u>	<u>2021</u>
Expenses satisfying restricted purposes:		
Education/Early Care:		
Youth Program Quality Initiative	\$ 61,351	\$ 82,464
Youth Housing Stability	-	40,053
Kindergarten Countdown Camp	36,811	4,668
Petersburg City Schools	-	93,029
Income/Financial Stability:		
WomenRise	54,383	15,234
RIDE United	40,382	-
VITA	199,807	200,770
Metrocare	15,000	15,000
Workforce Development	132,009	113,998
2-1-1	57,861	96,464
Health		
Beyond ACES	-	21,887
Bridging Richmond	-	34,406
Other		
9/11 Day of Service	1,239	500,000
Publix	21,482	13,752
Family Stability Initiative	180,000	-
Strategic Engagement	6,421	46,548
Reclassifications	<u>209,385</u>	<u>(275,572)</u>
	<u>\$ 1,016,131</u>	<u>\$ 1,002,701</u>

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Notes to Financial Statements, Continued

9. Retirement Plans:

Defined Benefit Plan:

United Way of Greater Richmond & Petersburg administers and sponsors a multiple employer noncontributory defined benefit plan (as defined by ERISA and IRS code), the Defined Benefit Pension Plan of United Way of Greater Richmond & Petersburg and Affiliated Agencies (the "Plan"), which covered substantially all employees of the Organization until the Plan was frozen. Each year, the Organization sets the rate of contribution for covered salaries for all affiliated agencies.

The Plan funds the employee benefits of the Organization and affiliated agencies as if the employees worked for one entity. As such the actuarial calculations are not determined for the individual organizations participating in this Plan. GAAP considers the current year contribution for this type of plan to be the pension costs, and no Plan asset or obligation for benefits is recorded in the Organization's financial statements.

The Organization's contributions to the Plan amounted to \$193,117 in fiscal year 2022 and \$302,027 in fiscal year 2021.

As of January 1, 2021, the most recent measurement date for the Plan, the fair value of Plan assets amounted to \$35,490,126, and the present value of accumulated Plan benefits amounted to \$31,766,569. As of June 30, 2021, the fair value of Plan assets amounted to approximately \$37,693,248. At June 30, 2021, the Organization had \$360,344, of net assets designated for future obligations related to the Plan.

On September 26, 2008, the Board of Directors of United Way of Greater Richmond & Petersburg approved a resolution to freeze the Plan, effective December 31, 2008. The Organization set funding requirements from the Organization and affiliated agencies amounting to \$1,500,000 for the years ended June 30, 2022 and 2021, which is allocated according to the respective benefit liability of each agency. This amount is subject to revision based on changes in legislation and other related factors. Since the Organization is the Plan Sponsor, should the participating entities not fulfill their funding responsibilities, the Organization would have been exposed to additional risk.

During May 2021, the Plan's investments were de-risked, by way of duration matching, in order to minimize an increase in the Plan's unfunded liability.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Notes to Financial Statements, Continued

9. Retirement Plans, Continued:

Defined Benefit Plan, Continued:

In September 2021, the Board of Directors of United Way of Greater Richmond & Petersburg approved a resolution to terminate the Plan effective as of November 30, 2021 with a late 2022 expected payout of benefits to all eligible participants in accordance with the Plan document. In connection with the termination, the Plan Sponsor is required to contribute the difference between the accumulated benefit obligation and the Plan's investment balance, if any. As of June 30, 2022, the balance in restricted cash is expected to cover the payout liability with some money left over, which will be distributed back to the participating organizations.

Defined Contribution Plan:

In addition, the Organization sponsors a defined contribution retirement plan which covers all employees who meet eligibility requirements. The plan enables participants to make contributions, and the Organization may make matching contributions. The Organization's contributions to the plan amounted to \$150,442 for the year ended June 30, 2022 and \$157,272 for the year ended June 30, 2021.

10. Line of Credit and PPP loans:

The Organization has available an unsecured line of credit of \$2,000,000. The line of credit has an interest rate of SOFR plus 2.05% per annum subject to a floor of 3%, is due on demand and renews annually. The next renewal will be on February 23, 2023. There have not been any borrowings against this line.

As a result of the COVID-19 pandemic, in April 2020 the Organization applied for and received a loan through the Paycheck Protection Program in the amount of \$494,717. The loan incurred fixed interest at 1%. In February 2021, the Organization received full forgiveness of the loan and recognized the full amount of \$494,717 as unrestricted revenue. In addition, the Organization applied for and received a second PPP loan in the amount of \$485,872 in February 2021. The second PPP loan incurred fixed interest at 1%. In March 2022, the Organization received full forgiveness of the loan and recognized the full amount of \$485,872 as unrestricted revenue. The loans were recorded as notes payable on the Statements of Financial Position until forgiven.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Notes to Financial Statements, Continued

11. Lease Commitments:

The Organization leases office space through December 2025 and equipment under non-cancelable operating leases. As of June 30, 2022 future combined equipment and office lease payments are as follows:

2023	\$	228,604
2024		222,586
2025		226,003
2026		<u>114,602</u>
	\$	<u>791,795</u>

Rent expense for the years ended June 30, 2022 and 2021 was \$205,262 and \$253,197 respectively.

12. Related Party Transactions:

Fund:

The United Way of Greater Richmond & Petersburg Endowment and E. Claiborne Robins Endowment were organized to support the charitable and educational activities consistent with the mission of United Way of Greater Richmond & Petersburg. The endowment assets are held by the Community Foundation and are not reflected in the financial statements of the Organization. The Board of Directors has the right to request that The Community Foundation return the funds to the Organization. The Community Foundation would then need to take a vote and approve or deny that request. The funds are without donor restriction.

Summary financial information as of June 30, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Fund balance	\$ 5,571,357	\$ 7,640,654

The Organization received grants totaling \$244,067 and \$245,079 during the years ending June 30, 2022 and 2021, respectively.

Other:

A Senior Vice President Commercial Team Manager at Truist, which holds the Organization's line of credit and at which the Organization has bank accounts, is on the Organization's Board of Directors.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Notes to Financial Statements, Continued

13. Overhead:

United Way of Greater Richmond & Petersburg provides an overhead measure for analytical review and comparison with other United Ways as established by United Way Worldwide membership standards. The percentage is based on gross revenues less allowance for uncollectible pledges. Overhead expenses include fundraising, management, and general expenses including depreciation, and United Way Worldwide membership dues. The percentages for 2022 and 2021 are as follows:

	2022	2021
Net public support and revenue	\$ 5,640,501	\$ 10,963,081
Unrealized loss (gain) on investments, net	1,272,076	(715,271)
Recovery of shrinkage for prior years	(89,719)	(9,613)
Donor designations	15,555,484	14,950,153
Provision for uncollectible pledges	295,852	593,335
Gross revenues	22,674,194	25,781,685
Less provision for uncollectible pledges	(295,852)	(593,335)
Net revenues	\$ 22,378,342	\$ 25,188,350
Fundraising	\$ 1,417,234	\$ 1,568,442
Management and general	662,014	664,796
Total overhead	\$ 2,079,248	\$ 2,233,238
Percent of net revenues:		
Fundraising	6.33%	6.23%
Management and general	2.96%	2.64%
Total overhead, net method	9.29%	8.87%

14. Indemnification:

The Organization has certain obligations to indemnify its current and former officers and directors for certain events or occurrences while the officer or director is, or was, serving, at the Organization's request in such capacities. The maximum liability under these obligations is limited by the Code of Virginia, and the Organization's insurance policies also serve to further limit its exposure. The Organization is not aware of any such obligations.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Notes to Financial Statements, Continued

15. Liquidity and Availability of Financial Assets:

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

	2022	2021
Financial assets available within one year:		
Cash and cash equivalents	\$ 4,653,365	\$ 10,206,508
Pledges receivable, net of allowance	1,153,465	1,416,535
Other receivables	192,635	70,476
Investments, short-term and liquid	6,293,492	5,128,910
Total financial assets available within one year	12,292,957	16,822,429
Less those unavailable for general expenditure within one year:		
Net assets with donor restrictions	618,323	475,762
Board Designated reserves	1,604,067	2,447,639
Total amounts unavailable for general expenditures within one year	2,222,390	2,923,401
Financial assets available within one year for general expenditure	\$ 10,070,567	\$ 13,899,028

As part of the Organization's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in short-term investments. To help manage unanticipated liquidity needs, the Organization has a line of credit in the amount of \$2,000,000 at June 30, 2022 and 2021 which it could draw upon. Net assets with donor restrictions includes \$220,000 and \$169,067 of funds that are restricted to purposes that support various annual operating initiatives of the Organization as of June 30, 2022 and 2021, respectively (see Note 7). The Organization also has investments held at the Community Foundation in the United Way of Greater Richmond and Petersburg Endowment and E. Claiborne Robins Endowment, which could be used if certain conditions are met as described in Note 12. In addition, under certain conditions, board designated reserves totaling \$1,604,067 and \$2,447,639 as of June 30, 2022 and 2021, respectively, could be made available for operations.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Notes to Financial Statements, Continued

16. Subsequent Events:

As discussed in Note 9, the Defined Benefit Pension Plan of United Way of Greater Richmond and Petersburg and Affiliated Agencies has terminated as of November 30, 2021. As of October 31, 2022, substantially all benefits have been paid to participants and the only remaining expenses are administrative expenses to complete the termination.

The President and CEO of the Organization is leaving the Organization in November 2022. An interim President and CEO will be in place prior upon the CEO's exit and the Organization is in search of a full-time replacement.

Management has evaluated subsequent events through November 3, 2022, the date the financial statements were available to be issued, and has determined there are no other subsequent events to be reported in the accompanying financial statements.

17. New Accounting Guidance:

Leases: In February 2016, the FASB issued new guidance over leases which requires that all leasing activity with initial terms in excess of twelve months be recognized on the statement of financial position with a right of use asset and a lease liability. The standards will require entities to classify leases as either a finance or operating lease based upon the contractual terms. For finance leases, the right to use asset and lease liability will be calculated based upon the present value of the lease payments. The asset will then be amortized and the interest on the obligation will be recognized separately within the statement of activities. On the statement of cash flows, the principal portion of the financing lease payments will be classified as a financing activity. For operating leases, the right to use asset and lease liability will also be calculated based upon the present value of the lease payments. However, the cost of the lease will generally be allocated over the lease term on a straight-line basis and presented as a single expense on the statement of activities. On the statement of cash flows, all cash payments for operating leases will be classified as an operating activity. The new standard will be effective for periods beginning after December 15, 2021, and will require entities to use a modified retrospective approach to the earliest period presented. The Organization has elected not to early adopt this ASU and intends to adopt it prior to the required transition date.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Schedule of Net Assets
Year Ended June 30, 2022

	<u>Balance 6/30/2021</u>	<u>Support and Revenue</u>	<u>Allocations and Expenses</u>	<u>Reclassifications</u>	<u>Balance 6/30/2022</u>
Net assets without donor restrictions:					
Undesignated	\$ -	\$ 196,917	\$ -	\$ (196,917)	\$ -
Edmund A Saunders Trust	4,100,000	-	-	(3,131,422)	968,578
Designated net assets:					
Community Reserve Fund	1,879,149	92,038	-	(531,187)	1,440,000
Pension Plan Obligation	360,344	-	-	(360,344)	-
United Way Operations	<u>1,519,362</u>	<u>623,628</u>	<u>3,466,766</u>	<u>5,278,641</u>	<u>3,954,865</u>
Total designated net assets	3,758,855	912,583	3,466,766	1,058,771	6,363,443
Leasehold improvements and equipment net assets	<u>208,146</u>	<u>-</u>	<u>47,563</u>	<u>3,484</u>	<u>164,067</u>
Total net assets without donor restrictions	<u>\$ 8,067,001</u>	<u>\$ 912,583</u>	<u>\$ 3,514,329</u>	<u>\$ 1,062,255</u>	<u>\$ 6,527,510</u>

See independent auditor's report.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Schedule of Net Assets, Continued
Year Ended June 30, 2022

	Balance 6/30/2021	Support and Revenue	Allocations and Expenses	Reclassifications	Balance 6/30/2022
Net assets with donor restrictions:					
Education/Early Care:					
Kindergarten Countdown Camp	\$ 15,332	\$ -	\$ 36,811	\$ 21,479	\$ -
Youth Program Quality Initiative	222,690	75,000	61,351	(236,339)	-
Income/Financial Stability:					
2-1-1	-	43,905	57,861	13,956	-
Workforce Development	46,388	220,000	132,009	-	134,379
Metrocare	-	30,000	15,000	-	15,000
WomenRise	22,065	219,501	54,383	-	187,183
RIDE United	-	47,000	40,382	(6,618)	-
VITA	-	218,000	199,807	(18,193)	-
Trusts					
Frank Brown Trust	596,577	(111,640)	-	-	484,937
Laura J Harris Trust	310,913	(52,004)	-	-	258,909
Other					
9/11 Day of Service	-	3,000	1,239	-	1,761
Family Stability Initiative	-	240,000	180,000	-	60,000
Publix	-	-	21,482	21,482	-
Strategic Engagement	-	11,573	6,421	(5,152)	-
	<u>1,213,965</u>	<u>944,335</u>	<u>806,746</u>	<u>(209,385)</u>	<u>1,142,169</u>
Annual Campaign designated for future periods	<u>169,287</u>	<u>3,783,583</u>	<u>2,880,000</u>	<u>(852,870)</u>	<u>220,000</u>
	<u>1,383,252</u>	<u>4,727,918</u>	<u>3,686,746</u>	<u>(1,062,255)</u>	<u>1,362,169</u>
Total net assets with donor restrictions	<u>\$ 9,450,253</u>	<u>\$ 5,640,501</u>	<u>\$ 7,201,075</u>	<u>\$ -</u>	<u>\$ 7,889,679</u>

See independent auditor's report.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Schedule of Summary of Community Initiatives
Year Ended June 30, 2022

	Education / Children and Youth					Income / Financial Stability						Misc Programs*	Program Expenses	
	Kindergarten Countdown Camp	Youth Program Quality Initiative	Petersburg Schools	Strategic Engagement	Total	VITA	2-1-1	Workforce Development	WomenRise	RideUnited	EnergyShare	Total	Other	Total
	Salaries	\$ -	\$ 52,225	\$ -	\$ 71,784	\$ 124,009	\$ 109,432	\$ 41,164	\$ 58,369	\$ -	\$ -	\$ 147,476	\$ 356,441	\$ -
Health and retirement benefits	-	9,126	-	10,205	19,331	22,964	12,314	15,852	-	-	25,914	77,044	-	96,375
Payroll taxes	-	-	-	5,095	5,095	7,846	2,869	4,144	-	-	7,303	22,162	-	27,257
Specific program expenses	36,715	-	13,740	8,595	59,050	1,608	-	24,294	63,872	40,382	-	130,156	217,890	407,096
Pension obligation	-	-	-	12,875	12,875	12,875	-	6,437	-	-	17,702	37,014	-	49,889
Professional fees	-	-	-	14,323	14,323	14,323	-	11,484	350	-	64,732	90,889	-	105,212
Supplies	-	-	-	484	484	6,421	58	1,114	77	-	632	8,302	-	8,786
Telephone	-	-	-	-	-	-	500	189	-	-	525	1,214	-	1,214
Postage and shipping	-	-	-	-	-	-	-	-	2,702	-	507	3,209	-	3,209
Occupancy	-	-	-	14,201	14,201	14,201	-	7,101	-	-	19,526	40,828	-	55,029
Equipment maintenance	-	-	-	9,386	9,386	9,506	-	370	-	-	12,904	22,780	-	32,166
Marketing materials and advertising	50	-	-	-	50	-	215	-	1,432	-	-	1,647	395	2,092
Travel and related expenses	46	-	-	198	244	175	541	175	-	-	-	891	-	1,135
Conferences, conventions and meetings	-	-	-	1,059	1,059	456	65	568	779	-	-	1,868	-	2,927
Depreciation expense	-	-	-	1,843	1,843	3,686	-	1,843	-	-	4,915	10,444	-	12,287
Dues and subscriptions	-	-	-	9	9	-	135	1,913	-	-	-	2,048	-	2,057
Total before UW Worldwide dues	36,811	61,351	13,740	150,057	261,959	203,493	57,861	133,853	69,212	40,382	302,136	806,937	218,285	1,287,181
United Way Worldwide dues	-	-	-	11,425	11,425	22,849	-	11,425	-	-	30,465	64,739	-	76,164
Total functional expenses	\$ 36,811	\$ 61,351	\$ 13,740	\$ 161,482	\$ 273,384	\$ 226,342	\$ 57,861	\$ 145,278	\$ 69,212	\$ 40,382	\$ 332,601	\$ 871,676	\$ 218,285	\$ 1,363,345

*Misc programs includes labor and a prorated portion of depreciation and United Way Worldwide dues.

Note: The Organization distributes allocable expenses based on the number of full-time employees amongst the various functional areas.

See independent auditor's report.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Schedule of Summary of Community Initiatives Year Ended June 30, 2021

	Education / Children and Youth					Income / Financial Stability					Misc Programs*	Program Expenses
	Kindergarten Countdown Camp	Youth Program Quality Initiative	Petersburg Schools	Youth Housing Stability	Total	VITA	2-1-1	Workforce Development	WomenRise	Total	Other	Total
Salaries	\$ -	\$ 34,568	\$ 46,901	\$ 3,679	\$ 85,148	\$ 112,168	\$ 50,660	\$ 56,394	\$ -	\$ 219,222	\$ 37,125	\$ 341,495
Health and retirement benefits	-	5,685	26,053	784	32,522	20,958	14,945	15,396	-	51,299	6,400	90,221
Payroll taxes	-	-	-	-	-	7,885	3,419	3,916	-	15,220	2,891	18,111
Specific program expenses	4,617	40,561	19,125	35,590	99,893	-	-	125	-	125	85,045	185,063
Pension obligation	-	-	-	-	-	16,180	8,090	8,090	-	32,360	-	32,360
Professional fees	-	1,650	-	-	1,650	9,571	4,786	13,585	-	27,942	-	29,592
Supplies	-	-	-	-	-	6,997	264	265	8,458	15,984	50	16,034
Telephone	-	-	-	-	-	620	910	499	-	2,029	-	2,029
Postage and shipping	-	-	-	-	-	549	275	275	1,731	2,830	-	2,830
Occupancy	-	-	-	-	-	16,761	8,380	8,380	-	33,521	-	33,521
Equipment maintenance	-	-	-	-	-	8,622	4,298	5,198	5,045	23,163	-	23,163
Marketing materials and advertising	-	-	-	-	-	-	114	-	-	114	-	114
Travel and related expenses	51	-	950	-	1,001	270	121	-	-	391	82	1,474
Conferences, conventions and meetings	-	-	-	-	-	189	126	1,500	-	1,815	-	1,815
Depreciation expense	-	-	-	-	-	-	-	-	-	-	7,901	7,901
Dues and subscriptions	-	-	-	-	-	-	75	375	-	450	-	450
Total before UW Worldwide dues	4,668	82,464	93,029	40,053	220,214	200,770	96,463	113,998	15,234	426,465	139,494	786,173
Loss on disposal of equipment	-	-	-	-	-	-	-	-	-	-	4,100	4,100
United Way Worldwide dues	-	-	-	-	-	-	-	-	-	-	24,882	24,882
Total functional expenses	\$ 4,668	\$ 82,464	\$ 93,029	\$ 40,053	\$ 220,214	\$ 200,770	\$ 96,463	\$ 113,998	\$ 15,234	\$ 426,465	\$ 168,476	\$ 815,155

*Misc programs includes labor and a prorated portion of depreciation and United Way Worldwide dues.

Note: The Organization distributes allocable expenses based on the number of full-time employees amongst the various functional areas.

See independent auditor's report.