



United Way of Greater Richmond & Petersburg

Financial Statements

June 30, 2023 and 2022



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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, 2023 and 2022, 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, 2023 and 2022, 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 audit.

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 29 through 33 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, 2023
Glen Allen, Virginia

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Statements of Financial Position
June 30, 2023 and 2022

<u>Assets</u>	<u>2023</u>	<u>2022</u>
Current assets:		
Cash and cash equivalents	\$ 594,160	\$ 300,347
Cash and cash equivalents - EnergyShare	2,915,203	4,353,018
Cash restricted for pension termination (Note 9)	1,689,939	2,662,627
Pledges receivable:		
Campaign 21/22 - net of allowance of \$273,189	-	1,153,465
Campaign 22/23 - net of allowance of \$194,761	965,909	-
Campaign 23/24	90,000	-
Other receivables	345,802	174,405
Other assets	<u>50,582</u>	<u>72,275</u>
Total current assets	6,651,595	8,716,137
Beneficial interest in trusts (Note 2)	1,718,209	1,712,424
Investments (Note 3)	5,756,339	6,293,492
Leasehold improvements and equipment at cost		
less accumulated depreciation (Note 4)	142,128	164,067
Right-of-use operating lease assets, net (Note 11)	464,463	-
Right-of-use finance lease assets, net (Note 11)	<u>27,954</u>	<u>-</u>
Total assets	<u>\$ 14,760,688</u>	<u>\$ 16,886,120</u>

See accompanying notes to financial statements.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Statements of Financial Position, Continued
June 30, 2023 and 2022

<u>Liabilities and Net Assets</u>	<u>2023</u>	<u>2022</u>
Current liabilities:		
Allocations payable	\$ 1,237,500	\$ 1,440,000
Designations payable	3,213,207	4,710,828
Accrued expenses	46,319	143,388
Funds held for pension termination (Note 9)	1,689,939	2,662,627
Accounts payable	11,473	11,134
Funds held for others (Note 5)	14,481	28,464
Operating lease liabilities (Note 11)	215,936	-
Finance lease liabilities (Note 11)	<u>14,582</u>	<u>-</u>
Total current liabilities	6,443,437	8,996,441
Operating lease liabilities, net of current portion (Note 11)	317,657	-
Finance lease liabilities, net of current portion (Note 11)	<u>13,702</u>	<u>-</u>
Total liabilities	<u>6,774,796</u>	<u>8,996,441</u>
Net Assets:		
Without donor restrictions (Note 6):		
Beneficial interest in trusts	968,578	968,578
Board designated:		
Reserves	1,237,500	1,440,000
United Way operations	4,388,589	3,954,865
Leasehold improvements and equipment	<u>142,128</u>	<u>164,067</u>
Total board designated	<u>5,768,217</u>	<u>5,558,932</u>
Total without donor restrictions	<u>6,736,795</u>	<u>6,527,510</u>
With donor restrictions (Note 7):		
Annual campaign designated for future periods	152,469	220,000
Beneficial interest in trusts	749,631	743,846
Other with donor restrictions	<u>346,997</u>	<u>398,323</u>
Total with donor restrictions	<u>1,249,097</u>	<u>1,362,169</u>
Total net assets	<u>7,985,892</u>	<u>7,889,679</u>
Total liabilities and net assets	<u>\$ 14,760,688</u>	<u>\$ 16,886,120</u>

See accompanying notes to financial statements.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Statements of Activities
Year Ended June 30, 2023, with Comparative Totals for 2022

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
Revenues, gains and other support:				
Gross campaign pledges 2022 / 2024	\$ -	\$ 4,916,961	\$ 4,916,961	\$ 6,836,341
Less donor designations	-	(1,357,175)	(1,357,175)	(2,976,906)
Less provision for uncollectible pledges	-	(205,478)	(205,478)	(295,852)
Subtotal campaign revenue 2022 / 2024	<u>-</u>	<u>3,354,308</u>	<u>3,354,308</u>	<u>3,563,583</u>
Energy Share contributions	-	8,699,924	8,699,924	12,578,578
Less donor designations - Energy Share	-	(8,699,924)	(8,699,924)	(12,578,578)
Subtotal Energy Share contribution 2022 / 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Gross campaign pledges prior year's:				
Contributions received	75,699	-	75,699	48,561
Recovery of designation expense	2,654	-	2,654	67,794
Less additional shrinkage	-	-	-	(24,317)
Less donor designations	(4,060)	-	(4,060)	-
Subtotal prior year's campaign revenue	<u>74,293</u>	<u>-</u>	<u>74,293</u>	<u>92,038</u>
Contributions received released from restrictions	13,836,885	(13,836,885)	-	-
Donor designations	(10,057,099)	10,057,099	-	-
Provision for uncollectible pledges	(205,478)	205,478	-	-
Net current period campaign	<u>3,574,308</u>	<u>(3,574,308)</u>	<u>-</u>	<u>-</u>
Gross campaign pledges future year	-	176,969	176,969	220,000
Less donor designations	-	(24,500)	(24,500)	-
Subtotal future year's campaign revenue	<u>-</u>	<u>152,469</u>	<u>152,469</u>	<u>220,000</u>
Total campaign revenue	3,648,601	(67,531)	3,581,070	3,875,621
Contributions	67,888	624,000	691,888	941,073
Net public support	<u>3,716,489</u>	<u>556,469</u>	<u>4,272,958</u>	<u>4,816,694</u>
Grants from governmental agencies	-	67,000	67,000	160,906

See accompanying notes to financial statements.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Statements of Activities, Continued Year Ended June 30, 2023, with Comparative Totals for 2022

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
Other revenue:				
Third party processing fees	555,582	-	555,582	591,096
Sponsorships	15,500	2,000	17,500	19,500
Miscellaneous	45,315	893	46,208	20,857
PPP loan forgiveness	-	-	-	485,872
Investment income, net	441,298	-	441,298	605,237
Trust income	39,897	-	39,897	36,183
Unrealized gain (loss), investments	121,548	-	121,548	(1,272,076)
Unrealized gain (loss), beneficial interest in trusts	-	5,785	5,785	(163,644)
Endowment income	549,803	-	549,803	244,067
Designations from other United Ways	54,862	-	54,862	25,835
Fees from donor designations	41,220	-	41,220	69,974
Net other revenue	<u>1,865,025</u>	<u>8,678</u>	<u>1,873,703</u>	<u>662,901</u>
Net assets released from restrictions (Note 8)	<u>745,219</u>	<u>(745,219)</u>	<u>-</u>	<u>-</u>
Net public support and other revenue	<u>6,326,733</u>	<u>(113,072)</u>	<u>6,213,661</u>	<u>5,640,501</u>
Allocations and expenses:				
Program services:				
Gross allocations	\$ 12,532,099	\$ -	\$ 12,532,099	\$ 18,435,484
Less donor designations	<u>(10,057,099)</u>	<u>-</u>	<u>(10,057,099)</u>	<u>(15,555,484)</u>
Net allocations	2,475,000	-	2,475,000	2,880,000
Community planning and allocations	348,139	-	348,139	878,482
Community initiatives	1,224,091	-	1,224,091	1,363,345
Total program services	<u>4,047,230</u>	<u>-</u>	<u>4,047,230</u>	<u>5,121,827</u>
Supporting services:				
Fundraising	1,283,010	-	1,283,010	1,417,234
Management and general	787,208	-	787,208	662,014
Total supporting services	<u>2,070,218</u>	<u>-</u>	<u>2,070,218</u>	<u>2,079,248</u>
Total expenses	<u>6,117,448</u>	<u>-</u>	<u>6,117,448</u>	<u>7,201,075</u>
Change in net assets	209,285	(113,072)	96,213	(1,560,574)
Net assets, beginning of year	<u>6,527,510</u>	<u>1,362,169</u>	<u>7,889,679</u>	<u>9,450,253</u>
Net assets, end of year	<u>\$ 6,736,795</u>	<u>\$ 1,249,097</u>	<u>\$ 7,985,892</u>	<u>\$ 7,889,679</u>

See accompanying notes to financial statements.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Statement of Activities
Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support:			
Gross campaign pledges 2021 / 2023	\$ -	\$ 6,836,341	\$ 6,836,341
Less donor designations	-	(2,976,906)	(2,976,906)
Less provision for uncollectible pledges	-	(295,852)	(295,852)
Subtotal campaign revenue 2021 / 2023	-	3,563,583	3,563,583
Energy Share contributions	-	12,578,578	12,578,578
Less donor designations - Energy Share	-	(12,578,578)	(12,578,578)
Subtotal Energy Share contribution 2021 / 2022	-	-	-
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	92,038	-	92,038
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	3,732,870	(3,732,870)	-
Gross campaign pledges future year	-	220,000	220,000
Total campaign revenue	3,824,908	50,713	3,875,621
Contributions	500	940,573	941,073
Net public support	3,825,408	991,286	4,816,694
Grants from governmental agencies	-	160,906	160,906

See accompanying notes to financial statements.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Statement of Activities, Continued Year Ended June 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Other revenue:			
Third party processing fees	591,096	-	591,096
PPP loan forgiveness	485,872	-	485,872
Sponsorships	13,000	6,500	19,500
Miscellaneous	20,857	-	20,857
Investment income, net	605,237	-	605,237
Trust income	36,183	-	36,183
Unrealized loss, investments	(1,272,076)	-	(1,272,076)
Unrealized loss, beneficial interest in trusts	-	(163,644)	(163,644)
Endowment income	244,067	-	244,067
Designations from other United Ways	25,835	-	25,835
Fees from donor designations	69,974	-	69,974
Net other revenue	<u>820,045</u>	<u>(157,144)</u>	<u>662,901</u>
Net assets released from restrictions (Note 8)	<u>1,016,131</u>	<u>(1,016,131)</u>	<u>-</u>
Net public support and other revenue	<u>5,661,584</u>	<u>(21,083)</u>	<u>5,640,501</u>
Allocations and expenses:			
Program services:			
Gross allocations	\$ 18,435,484	\$ -	\$ 18,435,484
Less donor designations	<u>(15,555,484)</u>	<u>-</u>	<u>(15,555,484)</u>
Net allocations	2,880,000	-	2,880,000
Community planning and allocations	878,482	-	878,482
Community initiatives	<u>1,363,345</u>	<u>-</u>	<u>1,363,345</u>
Total program services	<u>5,121,827</u>	<u>-</u>	<u>5,121,827</u>
Supporting services:			
Fundraising	1,417,234	-	1,417,234
Management and general	<u>662,014</u>	<u>-</u>	<u>662,014</u>
Total supporting services	<u>2,079,248</u>	<u>-</u>	<u>2,079,248</u>
Total expenses	<u>7,201,075</u>	<u>-</u>	<u>7,201,075</u>
Change in net assets	(1,539,491)	(21,083)	(1,560,574)
Net assets, beginning of year	<u>8,067,001</u>	<u>1,383,252</u>	<u>9,450,253</u>
Net assets, end of year	<u>\$ 6,527,510</u>	<u>\$ 1,362,169</u>	<u>\$ 7,889,679</u>

See accompanying notes to financial statements.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Statements of Cash Flows
Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ 96,213	\$ (1,560,574)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Unrealized net investment (gain) loss	(121,548)	1,272,076
Reinvested investment income, net	(441,298)	(605,237)
Unrealized (gain) loss on trusts	(5,785)	163,644
Depreciation	37,065	47,563
Amortization of finance lease right-of-use assets	26,174	-
PPP loan forgiveness	-	(485,872)
Changes in operating assets and liabilities:		
Pledges receivable	97,556	263,070
Other receivables	(171,397)	(122,159)
Beneficial interest in trusts	-	3,131,422
Other assets	21,693	(7,444)
Allocations payable	(202,500)	1
Designations payable	(1,497,621)	(5,399,361)
Accrued expenses	(97,069)	(53,385)
Funds held for pension termination	(972,688)	2,662,627
Deferred revenue	-	(387,447)
Accounts payable	339	11,134
Operating lease assets and liabilities, net	69,130	-
Funds held for others	<u>(13,983)</u>	<u>14,334</u>
Net cash used in operating activities	<u>(3,175,719)</u>	<u>(1,055,608)</u>
Cash flows from investing activities:		
Purchase of investments	-	(1,831,421)
Net proceeds from sale of investments	1,099,999	-
Purchase of leasehold improvements and equipment	<u>(15,126)</u>	<u>(3,487)</u>
Net cash provided by (used in) investing activities	<u>1,084,873</u>	<u>(1,834,908)</u>
Cash flows from financing activities:		
Payments on finance lease liabilities	<u>(25,844)</u>	<u>-</u>
Net change in cash and cash equivalents and restricted cash	(2,116,690)	(2,890,516)

See accompanying notes to financial statements.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Statements of Cash Flows, Continued
Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents - beginning of year	\$ 4,653,365	\$ 10,206,508
Cash restricted for pension termination (Note 9) - beginning of year	<u>2,662,627</u>	<u>-</u>
Cash and cash equivalents and restricted cash, beginning of year	<u>7,315,992</u>	<u>10,206,508</u>
Cash and cash equivalents - end of year	3,509,363	4,653,365
Cash restricted for pension termination (Note 9) - end of year	<u>1,689,939</u>	<u>2,662,627</u>
Cash and cash equivalents and restricted cash, ending of year	<u>\$ 5,199,302</u>	<u>\$ 7,315,992</u>
Supplemental disclosure of cash flow information related to leases:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 209,646	\$ -
Operating cash flows from finance leases	1,075	-
Financing cash flows from finance leases	<u>25,844</u>	<u>-</u>
Total cash paid for amounts included in the measurement of lease liabilities	<u>\$ 236,565</u>	<u>\$ -</u>
Operating lease right-of-use assets obtained in exchange for lease liabilities	<u>\$ 642,815</u>	<u>\$ -</u>
Finance lease right-of-use assets obtained in exchange for lease liabilities	<u>\$ 54,128</u>	<u>\$ -</u>

See accompanying notes to financial statements.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Statements of Functional Expenses Year Ended June 30, 2023, with Comparative Totals for 2022

	Program Services			Support Services			2023 Total	2022 Total	
	Community		Total	Fundraising	Management and General				Total
	Community Planning and Allocations	Initiatives (see Supplemental Schedule)			Fundraising	Management and General			
Gross allocations	\$ 12,532,099	\$ -	\$ 12,532,099	\$ -	\$ -	\$ -	\$ 12,532,099	\$ 18,435,484	
Less donor designations	(10,057,099)	-	(10,057,099)	-	-	-	(10,057,099)	(15,555,484)	
Subtotal	2,475,000	-	2,475,000	-	-	-	2,475,000	2,880,000	
Salaries	242,950	387,550	630,500	609,441	439,129	1,048,570	1,679,070	1,944,531	
Health and retirement benefits	31,971	73,476	105,447	122,357	63,434	185,791	291,238	361,574	
Payroll taxes	17,574	27,648	45,222	43,863	31,580	75,443	120,665	130,989	
Moving and recruitment	-	-	-	-	38,691	38,691	38,691	9,917	
Specific program expenses	-	452,297	452,297	-	-	-	452,297	407,096	
Pension plan contributions	-	-	-	-	-	-	-	193,117	
Professional fees	12,351	69,241	81,592	203,455	58,066	261,521	343,113	445,557	
Supplies	482	14,679	15,161	34,333	2,362	36,695	51,856	22,997	
Telephone	505	2,762	3,267	2,692	3,688	6,380	9,647	3,265	
Postage and shipping	151	1,849	2,000	8,127	485	8,612	10,612	9,901	
Occupancy	12,006	57,318	69,324	68,937	54,539	123,476	192,800	194,160	
Equipment maintenance	15,722	36,498	52,220	62,342	32,083	94,425	146,645	136,580	
Printing and publications	600	13,154	13,754	38,453	-	38,453	52,207	94,046	
Travel and related expenses	812	4,255	5,067	5,724	327	6,051	11,118	7,958	
Conferences, conventions, and meetings	-	19,527	19,527	5,588	1,356	6,944	26,471	11,587	
Depreciation expense	2,298	10,971	13,269	13,195	10,601	23,796	37,065	47,563	
Dues and subscriptions	-	1,701	1,701	2,967	1,430	4,397	6,098	5,409	
Subtotal	337,422	1,172,926	1,510,348	1,221,474	737,771	1,959,245	3,469,593	4,026,247	
Total before UWW dues	2,812,422	1,172,926	3,985,348	1,221,474	737,771	1,959,245	5,944,593	6,906,247	
United Way Worldwide dues	10,717	51,165	61,882	61,536	49,437	110,973	172,855	294,828	
Total functional expenses	<u>\$ 2,823,139</u>	<u>\$ 1,224,091</u>	<u>\$ 4,047,230</u>	<u>\$ 1,283,010</u>	<u>\$ 787,208</u>	<u>\$ 2,070,218</u>	<u>\$ 6,117,448</u>	<u>\$ 7,201,075</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, 2022

	Program Services			Support Services			
	Community Planning and Allocations	Community Initiatives (see Supplemental Schedule)	Total	Fundraising	Management and General	Total	Total
Gross allocations	\$ 18,435,484	\$ -	\$ 18,435,484	\$ -	\$ -	\$ -	\$ 18,435,484
Less donor designations	(15,555,484)	-	(15,555,484)	-	-	-	(15,555,484)
Subtotal	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
Health and retirement benefits	83,890	96,375	180,265	125,600	55,709	181,309	361,574
Payroll taxes	32,910	27,257	60,167	46,221	24,601	70,822	130,989
Moving and recruitment	-	-	-	-	9,917	9,917	9,917
Specific program expenses	-	407,096	407,096	-	-	-	407,096
Pension plan contributions	45,704	49,889	95,593	58,579	38,945	97,524	193,117
Professional fees	66,488	105,212	171,700	224,511	49,346	273,857	445,557
Supplies	5,546	8,786	14,332	6,362	2,303	8,665	22,997
Telephone	334	1,214	1,548	-	1,717	1,717	3,265
Postage and shipping	278	3,209	3,487	6,246	168	6,414	9,901
Occupancy	50,414	55,029	105,443	64,615	24,102	88,717	194,160
Equipment maintenance	33,319	32,166	65,485	42,704	28,391	71,095	136,580
Printing and publications	1,985	2,092	4,077	89,669	300	89,969	94,046
Travel and related expenses	2,362	1,135	3,497	4,201	260	4,461	7,958
Conferences, conventions, and meetings	3,685	2,927	6,612	2,748	2,227	4,975	11,587
Depreciation expense	11,257	12,287	23,544	14,427	9,592	24,019	47,563
Dues and subscriptions	-	2,057	2,057	925	2,427	3,352	5,409
Subtotal	808,706	1,287,181	2,095,887	1,327,803	602,557	1,930,360	4,026,247
Total before UWW dues	3,688,706	1,287,181	4,975,887	1,327,803	602,557	1,930,360	6,906,247
United Way Worldwide dues	69,776	76,164	145,940	89,431	59,457	148,888	294,828
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>

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 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
- 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 are 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 \$749,631 as of June 30, 2023, and \$743,846 as of June 30, 2022.

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 \$647,146 and \$1,136,017 for the years ended June 30, 2023 and 2022, 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.

Cash and Cash Equivalents – EnergyShare: 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 for operation of the EnergyShare program.

Restricted Cash: In connection with the termination of the pension plan (see Note 9), the Organization holds cash of \$1,689,939 as of June 30, 2023, and \$2,662,627 as of June 30, 2022, 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 method. 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 loan was fully forgiven and recorded in income in 2022.

Donated Services: 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.

Subsequent Events: Management has evaluated subsequent events through November 3, 2023, the date the financial statements were available to be issued, and has determined there are no subsequent events to be reported in the accompanying financial statements.

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.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Notes to Financial Statements, Continued

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

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.

Leases: In February 2016, the FASB issued Accounting Standards Update 2016-02, *Leases (Topic 842)*, which supersedes ASC 840 and creates a new topic, ASC 842. ASC 842 requires lessees to recognize a right-of-use asset and lease liability on the consolidated statement of financial position for substantially all leases with a term of 12 months or greater. Leases are classified as either finance or operating, with classification affecting expense recognition in the Organization's operations.

The lease liabilities are initially measured at the present value of the future lease payments measured on the discounted basis, as of the lease commencement date or adoption date, whichever is later. The right-of-use assets are initially measured at the value of the lease liability, adjusted for initial direct lease costs, lease incentives, and prepaid or deferred rent. The Organization elected to use the risk-free discount rate for any leases for which the rate implicit in the lease was not readily determinable. The right-of-use assets and lease liabilities are calculated to include options to extend or terminate the lease when the Organization determines that it is reasonably certain it will exercise those options. In making those determinations, the Organization considers various existing economic and market factors and business strategies as well as the nature, length, and terms of the lease agreements.

At July 1, 2022, the Organization adopted the provisions of ASC 842, using the modified retrospective adoption method. In addition, the Organization utilized the simplified transition option available in ASC 842, which allows entities to continue to apply the legacy guidance in ASC 840, including its disclosure requirements, in the comparative periods presented in the year of adoption.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Notes to Financial Statements, Continued

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

Leases, Continued: Upon adoption of ASC 842, the Organization elected the transitional package of practical expedients that allow an entity not to reassess (1) whether any expired or existing contracts contain a lease, (2) the lease classification of any expired or existing lease, and (3) the initial direct costs for any existing lease, and the use of hindsight in determining the lease term. In addition, the Organization elected to not record a lease liability and corresponding right-of-use asset for leases with terms of 12 months or less, and to account for lease and non-lease components as a single lease component.

The adoption of ASC 842 resulted in the recognition of operating lease right-of-use assets of \$642,815 and lease liabilities of \$728,762, and finance lease right-of-use assets and lease liabilities of \$54,128 as of July 1, 2022. The standard did not materially impact the Organization's operations and cash flows.

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.

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 among 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.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Notes to Financial Statements, Continued

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 \$749,631 on June 30, 2023, and \$743,846 on June 30, 2022, which is classified as net assets with donor restrictions. Income received from these trusts was \$39,897 for the year ended June 30, 2023, and \$36,183 for the year ended June 30, 2022, and is classified as net assets without 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:

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.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Notes to Financial Statements, Continued

3. Fair Value Measurements, Continued:

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, 2023 include the following:

	Fair Value Using			Assets at Fair Value
	Level 1	Level 2	Level 3	
Assets:				
Investments:				
Cash equivalents	\$ 15,038	\$ -	\$ -	\$ 15,038
Mutual funds	5,741,301	-	-	5,741,301
Total investments	<u>5,756,339</u>	<u>-</u>	<u>-</u>	<u>5,756,339</u>
Assets held in trusts:				
Cash equivalents	912,837	-	-	912,837
Mutual funds	723,893	-	-	723,893
Real estate	-	-	81,479	81,479
Total assets held in trusts	<u>1,636,730</u>	<u>-</u>	<u>81,479</u>	<u>1,718,209</u>
Total	<u>\$ 7,393,069</u>	<u>\$ -</u>	<u>\$ 81,479</u>	<u>\$ 7,474,548</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, 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	6,281,054	-	-	6,281,054
Total investments	<u>6,293,492</u>	<u>-</u>	<u>-</u>	<u>6,293,492</u>
Assets held in trusts:				
Cash equivalents	948,779	-	-	948,779
Mutual funds	716,009			716,009
Real estate	-	-	47,636	47,636
Total assets held in trusts	<u>1,664,788</u>	<u>-</u>	<u>47,636</u>	<u>1,712,424</u>
 Total	 <u>\$ 7,958,280</u>	 <u>\$ -</u>	 <u>\$ 47,636</u>	 <u>\$ 8,005,916</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.

4. Leasehold Improvements and Equipment:

Leasehold improvements and equipment consisted of the following:

	2023	2022
Leasehold improvements	\$ 85,736	\$ 85,736
Furniture, equipment and software	<u>440,272</u>	<u>425,145</u>
	526,008	510,881
Less accumulated depreciation	<u>383,880</u>	<u>346,814</u>
 Total	 <u>\$ 142,128</u>	 <u>\$ 164,067</u>

Depreciation expense amounted to \$37,065 and \$47,563 for the years ended June 30, 2023 and 2022, 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 Contributions 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:

	2023	2022
Balance, beginning	\$ 28,464	\$ 14,130
Amounts received	42,863	40,076
Amounts disbursed	(56,846)	(25,742)
Balance, ending	\$ 14,481	\$ 28,464

6. Net Assets without Donor Restrictions:

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

	2023	2022
Edmund A. Saunders Trust	\$ 968,578	\$ 968,578
Designated by the Board of Directors:		
Community Reserve Fund	1,237,500	1,440,000
United Way operations	4,388,589	3,954,865
Leasehold improvements and equipment net assets	142,128	164,067
Total without donor restrictions	\$ 6,736,795	\$ 6,527,510

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Notes to Financial Statements, Continued

7. Net Assets With Donor Restrictions:

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

	2023	2022
Education/Early Care:		
Everyday Strong	\$ 100,000	\$ -
Income/Financial Stability:		
WomenRise	170,000	187,183
Metrocare	-	15,000
Workforce Development	76,997	134,379
Other		
Family Stability Initiative	-	60,000
9/11 Day of Service	-	1,761
Trusts		
Frank Brown Trust	488,975	484,937
Laura J Harris Trust	<u>260,656</u>	<u>258,909</u>
	1,096,628	1,142,169
Annual campaign designated for future periods	<u>152,469</u>	<u>220,000</u>
	<u>\$ 1,249,097</u>	<u>\$ 1,362,169</u>

8. Net Assets Released from Restrictions:

Net assets with donor restrictions to be held in perpetuity include the trusts at June 30, 2023 and 2022. Such net assets are restricted to investment in perpetuity, the income of which is without donor restrictions.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Notes to Financial Statements, Continued

8. Net Assets Released from Restrictions, Continued:

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

	2023	2022
Expenses satisfying restricted purposes:		
Education/Early Care:		
Youth Program Quality Initiative	\$ -	\$ 61,351
Kindergarten Countdown Camp	10,948	36,811
Everyday Strong	61,436	-
Income/Financial Stability:		
WomenRise	172,690	54,383
RIDE United	17,276	40,382
VITA	215,029	199,807
Metrocare	15,000	15,000
Workforce Development	24,921	132,009
2-1-1	-	57,861
Other		
9/11 Day of Service	1,105	1,239
Publix	-	21,482
Family Stability Initiative	157,500	180,000
Strategic Engagement	-	6,421
Reclassifications	69,314	209,385
	\$ 745,219	\$ 1,016,131

9. Retirement Plans:

Defined Benefit Plan:

United Way of Greater Richmond & Petersburg administered and sponsored 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 set the rate of contribution for covered salaries for all affiliated agencies.

The Organization's contributions to the Plan amounted to \$0 in fiscal year 2023 and \$193,117 in fiscal year 2022.

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. The Plan received a favorable determination from the IRS and completed a payout of benefits to all eligible participants in accordance with the Plan document as of October 21, 2022. In connection with the termination, the Plan Sponsor was required to contribute the difference between the accumulated benefit obligation and the Plan's investment balance. As of June 30, 2023, the balance in restricted cash is the money left over after termination of the Plan and satisfaction of all liabilities, 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 \$127,551 for the year ended June 30, 2023, and \$150,442 for the year ended June 30, 2022.

10. Line of Credit and PPP loan:

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, 2024. There have not been any borrowings against this line.

As a result of the COVID-19 pandemic, in February 2021, the Organization applied for and received a PPP loan in the amount of \$485,872, at a fixed interest rate of 1%. In March 2022, the Organization received full forgiveness of the loan and recognized the full amount of \$485,872 as unrestricted revenue.

11. Lease Commitments:

The Organization leases office space under a noncancellable agreement determined to be an operating lease through December 2025 and equipment under noncancellable financing leases.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Notes to Financial Statements, Continued

11. Lease Commitments, Continued:

Minimum future lease payments consisted of the following at June 30, 2023:

Year Ending June 30:	Finance Leases	Operating Leases
2024	\$ 14,582	\$ 215,936
2025	11,487	222,414
2026	<u>3,080</u>	<u>112,850</u>
Total lease payments	29,149	551,200
Less amount representing interest	<u>(865)</u>	<u>(17,607)</u>
Total finance and operating lease liabilities	<u>\$ 28,284</u>	<u>\$ 533,593</u>

Weighted-average remaining lease terms and discount rates at June 30, 2023 are as follows:

Weighted-average remaining lease terms (years):	
Operating leases	2.50
Finance leases	2.05
Weighted-average discount rates:	
Operating leases	2.50%
Finance leases	2.84%

The components of lease expense for the year ended June 30, 2023 are as follows:

Operating lease cost	<u>\$ 192,800</u>
Finance lease cost	
Amortization of leased assets	\$ 26,174
Interest on lease liabilities	<u>1,075</u>
Total finance lease cost	<u>\$ 27,249</u>

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Notes to Financial Statements, Continued

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, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Fund balance	\$ 5,367,982	\$ 5,571,357

The Organization received grants totaling \$549,803 and \$244,067 during the years ending June 30, 2023 and 2022, respectively.

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 2023 and 2022 are as follows:

	2023	2022
Net public support and revenue	\$ 6,213,661	\$ 5,640,501
Unrealized (gain) loss on investments, net	(121,548)	1,272,076
Recovery of shrinkage for prior years	(47,947)	(89,719)
Donor designations	10,057,099	15,555,484
Provision for uncollectible pledges	205,478	295,852
Gross revenues	16,306,743	22,674,194
Less provision for uncollectible pledges	(205,478)	(295,852)
Net revenues	\$ 16,101,265	\$ 22,378,342
Fundraising	\$ 1,283,010	\$ 1,417,234
Management and general	787,208	662,014
Total overhead	\$ 2,070,218	\$ 2,079,248
Percent of net revenues:		
Fundraising	7.97%	6.33%
Management and general	4.89%	2.96%
Total overhead, net method	12.86%	9.29%

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 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:

	2023	2022
Financial assets available within one year:		
Cash and cash equivalents	\$ 594,160	\$ 300,347
Pledges receivable, net of allowance	965,909	1,153,465
Other receivables	345,802	174,405
Investments, short-term and liquid	5,756,339	6,293,492
Total financial assets available within one year	7,662,210	7,921,709
Less those unavailable for general expenditure within one year:		
Net assets with donor restrictions	499,466	618,323
Board Designated reserves	1,379,628	1,604,067
Total amounts unavailable for general expenditures within one year	1,879,094	2,222,390
Financial assets available within one year for general expenditure	\$ 5,783,116	\$ 5,699,319

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, 2023 and 2022. Net assets with donor restrictions includes \$152,469 and \$220,000 of funds that are restricted to purposes that support various annual operating initiatives of the Organization as of June 30, 2023 and 2022, 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 \$1,379,628 and \$1,604,067 as of June 30, 2023 and 2022, respectively, could be made available for operations.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Schedule of Net Assets
Year Ended June 30, 2023

	<u>Balance 6/30/2022</u>	<u>Support and Revenue</u>	<u>Allocations and Expenses</u>	<u>Reclassifications</u>	<u>Balance 6/30/2023</u>
Net assets without donor restrictions:					
Undesignated	\$ -	\$ 1,337,431	\$ -	\$ (1,337,431)	\$ -
Edmund A Saunders Trust	968,578	-	-	-	968,578
Designated net assets:					
Community Reserve Fund	1,440,000	74,293	-	(276,793)	1,237,500
United Way Operations	<u>3,954,865</u>	<u>595,482</u>	<u>2,929,478</u>	<u>2,767,720</u>	<u>4,388,589</u>
Total designated net assets	6,363,443	2,007,206	2,929,478	1,153,496	6,594,667
Leasehold improvements and equipment net assets	<u>164,067</u>	<u>-</u>	<u>37,065</u>	<u>15,126</u>	<u>142,128</u>
Total net assets without donor restrictions	<u>\$ 6,527,510</u>	<u>\$ 2,007,206</u>	<u>\$ 2,966,543</u>	<u>\$ 1,168,622</u>	<u>\$ 6,736,795</u>

See independent auditor's report.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Schedule of Net Assets, Continued
Year Ended June 30, 2023

	Balance 6/30/2022	Support and Revenue	Allocations and Expenses	Reclassifications	Balance 6/30/2023
Net assets with donor restrictions:					
Education/Early Care:					
Kindergarten Countdown Camp	\$ -	\$ 26,000	\$ 10,948	\$ (15,052)	\$ -
Everyday Strong	-	200,000	61,436	(38,564)	100,000
Income/Financial Stability:					
Workforce Development	134,379	3,000	24,921	(35,461)	76,997
Metrocare	15,000	15,000	15,000	(15,000)	-
WomenRise	187,183	170,000	172,690	(14,493)	170,000
RIDE United	-	26,000	17,276	(8,724)	-
VITA	-	93,393	215,029	121,636	-
Trusts					
Frank Brown Trust	484,937	4,038	-	-	488,975
Laura J Harris Trust	258,909	1,747	-	-	260,656
Other					
9/11 Day of Service	1,761	-	1,105	(656)	-
Family Stability Initiative	60,000	160,500	157,500	(63,000)	-
	1,142,169	699,678	675,905	(69,314)	1,096,628
Annual Campaign designated for future periods	220,000	3,506,777	2,475,000	(1,099,308)	152,469
	1,362,169	4,206,455	3,150,905	(1,168,622)	1,249,097
Total net assets with donor restrictions	1,362,169	4,206,455	3,150,905	(1,168,622)	1,249,097
	\$ 7,889,679	\$ 6,213,661	\$ 6,117,448	\$ -	\$ 7,985,892

See independent auditor's report.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Schedule of Summary of Community Initiatives
Year Ended June 30, 2023

Education / Children and Youth

	Kindergarten Countdown Camp	9/11 Day of Service	Everyday Strong	Volunteerism	Total
Salaries	\$ 5,425	\$ -	\$ 13,021	\$ 49,191	\$ 67,637
Health and retirement benefits	451	-	1,081	10,710	12,242
Payroll taxes	387	-	928	3,838	5,153
Specific program expenses	32,822	-	19,397	-	52,219
Professional fees	2,992	-	7,624	7,968	18,584
Supplies	78	-	5,293	807	6,178
Telephone	74	-	179	298	551
Postage and shipping	12	-	60	49	121
Occupancy	1,936	-	4,647	7,746	14,329
Equipment maintenance	1,119	-	2,686	4,477	8,282
Marketing materials and advertising	35	835	1,752	190	2,812
Travel and related expenses	253	-	649	2,298	3,200
Conferences, conventions and meetings	26	270	-	7,258	7,554
Depreciation expense	371	-	890	1,483	2,744
Dues and subscriptions	-	-	-	-	-
Total before UW Worldwide dues	45,981	1,105	58,207	96,313	201,606
United Way Worldwide dues	1,729	-	4,149	6,914	12,792
Total functional expenses	\$ 47,710	\$ 1,105	\$ 62,356	\$ 103,227	\$ 214,398

See independent auditor's report.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Schedule of Summary of Community Initiatives, Continued
Year Ended June 30, 2023

	Income / Financial Stability										Program Expenses
	VITA	Publix	Workforce Development	WomenRise	RideUnited	EnergyShare	Metrocare	Family Stability	EFSP	Total	Total
Salaries	\$ 114,772	\$ 3,276	\$ 40,042	\$ 24,422	\$ -	\$ 134,376	\$ -	\$ -	\$ 3,025	\$ 319,913	\$ 387,550
Health and retirement benefits	22,078	563	9,970	5,400	-	22,604	-	-	619	61,234	73,476
Payroll taxes	8,197	215	2,682	1,610	-	9,572	-	-	219	22,495	27,648
Specific program expenses	647	28,662	340	180,653	17,276	-	15,000	157,500	-	400,078	452,297
Professional fees	16,244	797	-	6,372	-	26,447	-	-	797	50,657	69,241
Supplies	7,001	31	-	328	-	1,110	-	-	31	8,501	14,679
Telephone	595	30	110	208	-	1,238	-	-	30	2,211	2,762
Postage and shipping	135	5	-	304	-	1,279	-	-	5	1,728	1,849
Occupancy	15,491	775	-	5,422	-	20,526	-	-	775	42,989	57,318
Equipment maintenance	9,074	448	-	6,134	-	12,112	-	-	448	28,216	36,498
Marketing materials and advertising	207	-	-	9,591	-	-	-	-	544	10,342	13,154
Travel and related expenses	950	-	105	-	-	-	-	-	-	1,055	4,255
Conferences, conventions and meetings	5,808	-	5,431	664	-	70	-	-	-	11,973	19,527
Depreciation expense	2,965	148	-	1,037	-	3,929	-	-	148	8,227	10,971
Dues and subscriptions	-	-	1,701	-	-	-	-	-	-	1,701	1,701
Total before UW Worldwide dues	204,164	34,950	60,381	242,145	17,276	233,263	15,000	157,500	6,641	971,320	1,172,926
United Way Worldwide dues	13,828	691	-	4,840	-	18,323	-	-	691	38,373	51,165
Total functional expenses	\$ 217,992	\$ 35,641	\$ 60,381	\$ 246,985	\$ 17,276	\$ 251,586	\$ 15,000	\$ 157,500	\$ 7,332	\$ 1,009,693	\$ 1,224,091

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, 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			Total	Other	Total	
								Development	WomenRise	RideUnited	EnergyShare			
Salaries	\$ -	\$ 52,225	\$ -	\$ 71,784	\$ 124,009	\$ 109,432	\$ 41,164	\$ 58,369	\$ -	\$ -	\$ 147,476	\$ 356,441	\$ -	\$ 480,450
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.