UNITED WAY OF GREATER ATLANTA, INC.

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

As of and for the Years Ended June 30, 2021 and 2020

And Report of Independent Auditor

Cherry Bekaert LLP
CPAs & Advisors

UNITED WAY OF GREATER ATLANTA, INC.

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Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Supplementary and Other Information

The accompanying schedule of expenditures of federal awards, shown on page 30, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* is also presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

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

Cherry Bekaert LLP

Atlanta, Georgia
December 21, 2021

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

JUNE 30, 2021 AND 2020

	2021	2020
ASSETS		
Cash and cash equivalents	$ 35,763	$ 31,382
Investments, at fair value	40,520	35,265
Contributions receivable, less allowance for uncollectible accounts of $4,718 and $7,601 at June 30, 2021 and 2020, respectively	18,657	17,737
Other receivables	5,500	9,741
Prepaids and other assets	1,878	2,419
Land, buildings, and equipment, net of depreciation	9,457	10,632
Total Assets	$ 111,775	$ 107,176
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued liabilities	$ 13,734	$ 16,771
Allocations payable	1,688	3,289
Donor designated allocations payable	8,591	9,553
Paycheck Protection Program loan	-	3,537
Bonds payable, net	785	1,375
Total Liabilities	24,798	34,525
Net Assets:		
Without Donor Restrictions:		
Board-designated reserve fund	16,154	16,173
Undesignated	30,371	17,573
Total Without Donor Restrictions	46,525	33,746
With Donor Restrictions:		
Subject to purpose and time restrictions	33,542	33,427
Endowments and other perpetual gifts	6,910	5,478
Total With Donor Restrictions	40,452	38,905
Total Net Assets	86,977	72,651
Total Liabilities and Net Assets	$ 111,775	$ 107,176

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

YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Campaign Results:			
Campaign Contributions:			
Current year campaign	$ 44,430	$ 21,889	$ 66,319
Prior year Pacesetter Campaign	-	(274)	(274)
Pacesetter Campaign	-	240	240
Less Amounts Due to Others:			
Donor designations	(5,193)	-	(5,193)
Amounts sent directly to others	(10,905)	-	(10,905)
Gross Campaign Results	28,332	21,855	50,187
Provision for uncollectibles	(1,653)	-	(1,653)
Net Campaign Results	26,679	21,855	48,534
Revenues, Gains, and Other Support:			
Campaign contributions received in current period, net of provision for uncollectible pledges of $1,653	26,679	21,855	48,534
Private grants and foundations revenue	29	17,530	17,559
Government grants and contract revenue	-	30,496	30,496
Gifts-in-kind revenue	8,178	-	8,178
Building income	1,480	-	1,480
Other income	1,902	-	1,902
Net assets released from restrictions	69,676	(69,676)	-
Total Revenues, Gains, and Other Support	107,944	205	108,149
Expenses:			
Program Services:			
Agency allocations	(4,515)	-	(4,515)
Community services	(13,805)	-	(13,805)
Other direct assistance	(70,451)	-	(70,451)
Building operations	(3,189)	-	(3,189)
Total Program Services	(91,960)	-	(91,960)
Supporting services	(13,086)	-	(13,086)
Total Expenses	(105,046)	-	(105,046)
Change in net assets from operations	2,898	205	3,103
Nonoperating Items:			
Investment return, net	4,668	1,342	6,010
Gain on forgiveness of Paycheck Protection Program loan	3,537	-	3,537
Loss on disposal of fixed assets	(20)	-	(20)
Change in liability for pension benefit	1,696	-	1,696
Change in net assets	12,779	1,547	14,326
Net assets, beginning of year	33,746	38,905	72,651
Net assets, end of year	$ 46,525	$ 40,452	$ 86,977

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

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

YEAR ENDED JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Campaign Results:			
Campaign Contributions:			
Current year campaign	$ 56,825	$ 29,298	$ 86,123
Prior year Pacesetter Campaign	-	(101)	(101)
Pacesetter Campaign	-	274	274
Less Amounts Due to Others:			
Donor designations	(5,596)	-	(5,596)
Amounts sent directly to others	(19,565)	-	(19,565)
Gross Campaign Results	31,664	29,471	61,135
Provision for uncollectibles	(7,005)	-	(7,005)
Net Campaign Results	24,659	29,471	54,130
Revenues, Gains, and Other Support:			
Campaign contributions received in current period, net of provision for uncollectible pledges of $7,005	24,659	29,471	54,130
Private grant and foundation revenues	30	21,045	21,075
Government grants and contract revenue	-	2,419	2,419
Building income	3,073	-	3,073
Other income	2,012	-	2,012
Gifts-in-kind revenue	16,850	-	16,850
Net assets released from restrictions	48,736	(48,736)	-
Total Revenues, Gains, and Other Support	95,360	4,199	99,559
Expenses:			
Program Services:			
Agency allocations	(7,163)	-	(7,163)
Community services	(24,583)	-	(24,583)
Other direct assistance	(50,975)	-	(50,975)
Building operations	(5,777)	-	(5,777)
Total Program Services	(88,498)	-	(88,498)
Supporting services	(14,981)	-	(14,981)
Total Expenses	(103,479)	-	(103,479)
Change in net assets from operations	(8,119)	4,199	(3,920)
Nonoperating Items:			
Investment return, net	983	209	1,192
Gain on sale of building	7,078	-	7,078
Change in liability for pension benefit	(656)	-	(656)
Change in net assets	(714)	4,408	3,694
Net assets, beginning of year	34,460	34,497	68,957
Net assets, end of year	$ 33,746	$ 38,905	$ 72,651

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

YEAR ENDED JUNE 30, 2021

	Program Services					Supporting Services			
	Agency Allocations	Community Services	Other Direct Assistance	Building Operations	Total Program Services	Fundraising	Management and General	Total Supporting Services	Total
Operating Expenses:									
Salaries and other labor	$ -	$ 3,055	$ 2,043	$ 577	$ 5,675	$ 4,361	$ 2,910	$ 7,271	$ 12,946
Occupancy	-	376	665	794	1,835	263	172	435	2,270
Employee health and retirement benefits	-	915	469	40	1,424	1,020	621	1,641	3,065
Campaign and marketing supplies	-	-	17	-	17	148	-	148	165
Professional fees	-	32	828	282	1,142	82	369	451	1,593
Payroll taxes	-	210	136	57	403	309	197	506	909
Printing and brochures	-	2	67	2	71	154	19	173	244
Telephone	-	103	5	37	145	2	282	284	429
Equipment rental and maintenance	-	29	5	36	70	-	539	539	609
Information technology, postage, and supplies	-	421	359	27	807	654	(934)	(280)	527
Training and conferences	-	6	29	1	36	17	16	33	69
Local transportation	-	1	-	-	1	1	-	1	2
Other	-	2	42	109	153	1,053	296	1,349	1,502
Depreciation and amortization	-	-	270	912	1,182	-	195	195	1,377
Utilities	-	-	-	230	230	-	-	-	230
Catering	-	-	-	58	58	-	-	-	58
Total Operating Expenses	-	5,152	4,935	3,162	13,249	8,064	4,682	12,746	25,995
Allocations, Expenses, and Other Direct Assistance:									
Annual campaign allocations	4,515	265	-	-	4,780	25	-	25	4,805
Gifts-in-kind expense	-	8,178	-	-	8,178	-	-	-	8,178
Governmental grants and contracts expense	-	-	30,513	-	30,513	-	-	-	30,513
Other allocations	-	-	35,003	-	35,003	-	-	-	35,003
Total Allocations, Expenses, and Other Direct Assistance	4,515	8,443	65,516	-	78,474	25	-	25	78,499
Other:									
Interest expense	-	-	-	27	27	-	-	-	27
Dues to United Way Worldwide	-	210	-	-	210	-	315	315	525
Total Other	-	210	-	27	237	-	315	315	552
Total Functional Expenses	$ 4,515	$ 13,805	$ 70,451	$ 3,189	$ 91,960	$ 8,089	$ 4,997	$ 13,086	$ 105,046

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

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

YEAR ENDED JUNE 30, 2020

	Program Services					Supporting Services			
	Agency Allocations	Community Services	Other Direct Assistance	Building Operations	Total Program Services	Fundraising	Management and General	Total Supporting Services	Total
Operating Expenses:									
Salaries and other labor	$ -	$ 4,063	$ 2,037	$ 1,043	$ 7,143	$ 4,934	$ 3,915	$ 8,849	$ 15,992
Occupancy	-	160	298	1,484	1,942	(7)	49	42	1,984
Employee health and retirement benefits	-	1,310	350	95	1,755	1,289	484	1,773	3,528
Campaign and marketing supplies	-	-	1	-	1	275	-	275	276
Professional fees	-	113	1,375	242	1,730	88	465	553	2,283
Payroll taxes	-	296	145	79	520	344	236	580	1,100
Printing and brochures	-	9	94	11	114	191	25	216	330
Telephone	-	100	8	24	132	20	300	320	452
Equipment rental and maintenance	-	34	-	90	124	10	397	407	531
Information technology, postage, and supplies	-	654	383	80	1,117	1,472	(1,415)	57	1,174
Training and conferences	-	58	376	-	434	46	64	110	544
Local transportation	-	22	8	1	31	20	1	21	52
Other	-	147	68	225	440	696	385	1,081	1,521
Depreciation and amortization	-	-	22	1,093	1,115	-	214	214	1,329
Utilities	-	-	-	329	329	-	-	-	329
Catering	-	-	-	903	903	-	-	-	903
Total Operating Expenses	-	6,966	5,165	5,699	17,830	9,378	5,120	14,498	32,328
Allocations, Expenses, and Other Direct Assistance:									
Annual campaign allocations	7,163	453	-	-	7,616	25	-	25	7,641
Gifts-in-kind expense	-	16,931	-	-	16,931	-	-	-	16,931
Governmental grants and contracts expense	-	-	2,419	-	2,419	-	-	-	2,419
Other allocations	-	-	43,391	-	43,391	-	-	-	43,391
Total Allocations, Expenses, and								-	
Other Direct Assistance	7,163	17,384	45,810	-	70,357	25	-	25	70,382
Other:									
Interest expense	-	-	-	78	78	-	108	108	186
Dues to United Way Worldwide	-	233	-	-	233	-	350	350	583
Total Other	-	233	-	78	311	-	458	458	769
Total Functional Expenses	$ 7,163	$ 24,583	$ 50,975	$ 5,777	$ 88,498	$ 9,403	$ 5,578	$ 14,981	$ 103,479

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

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

YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	$ 14,326	$ 3,694
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Net realized and unrealized gains on investments	(5,650)	(348)
Depreciation	1,357	1,310
Amortization of bond issuance costs	20	19
Provision for doubtful accounts	1,653	7,005
Gain on assets held for sale	-	(7,078)
Loss on disposal of assets	20	-
Gain on forgiveness of Paycheck Protection Program loan	(3,537)	-
Changes in operating assets and liabilities:		
Contributions receivable	(2,573)	1,432
Other receivables	4,241	2,199
Prepaids and other assets	775	(524)
Accounts payable and accrued liabilities	(3,037)	5
Allocations and donor-designated allocations payable	(2,563)	(1,445)
Net cash flows from operating activities	5,032	6,269
Cash flows from investing activities:		
Purchases of building improvements and equipment	(202)	(1,178)
Proceeds from assets held for sale	-	17,650
Purchases of investments	(11,701)	(8,504)
Sales of investments	11,862	7,230
Net cash flows from investing activities	(41)	15,198
Cash flows from financing activities:		
Net payments on line of credit	-	(9,242)
Proceeds from Paycheck Protection Program loan	-	3,537
Checks in excess of cash on hand	-	(1,640)
Principal repayments on bonds payable	(610)	(1,118)
Net cash flows from financing activities	(610)	(8,463)
Increase in cash and cash equivalents	4,381	13,004
Cash and cash equivalents, beginning of year	31,382	18,378
Cash and cash equivalents, end of year	$ 35,763	$ 31,382
Supplemental cash flow information:		
Interest paid	$ 27	186

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

Nature of Operations – United Way of Greater Atlanta, Inc. ("United Way") is a nonprofit corporation that operates in the 13 county greater Atlanta area. United Way's vision is for Greater Atlanta to be a thriving and inclusive community where every person, regardless of race, identity, or circumstances has equitable opportunities to live a healthy life and to acquire the education and skills they need to earn a sustaining wage so that they may achieve their full potential. Communities that can say, "all the children are well," have babies born healthy, kids who read proficiently by third grade, and teens who graduate from high school ready for college and careers. These are kids that grow up in communities where people are educated, employed, and housed. United Way, in partnership with a couple of other organizations, created the Child Well-Being index in 2017. United Way's goal is to raise the overall Child Well-Being Score across Greater Atlanta's 13-county region from 58.9 to 68.9 by 2027. With this change, United Way will be improving the lives of 250,000 children.

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

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of United Way. These net assets may be used at the discretion of United Way's management and the Board of Directors. United Way has chosen to provide further classification information about net assets without donor restrictions on the statements of financial position.

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

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

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

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

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

(DOLLARS IN THOUSANDS)

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

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

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

United Way provides an allowance for uncollectible contributions receivable based on historical write-off percentages at the time campaign results are recorded. This estimated allowance is periodically adjusted based on campaign collection trends. A campaign is officially closed for accounting purposes, and the final uncollectible amount determined, in the year following the year of workplace campaign collections. Any difference in the actual campaign collection results compared with the estimates previously recorded are reflected as an adjustment to net campaign results in the statements of activities. At June 30, 2021 and 2020, the allowance for doubtful contributions receivable was $4,718 and $7,601, respectively. Reductions in uncollectible contributions receivable of approximately $3,376 and $447 were recorded in fiscal years 2021 and 2020, respectively, related to the final closing of the fall 2019 and 2018 campaign collections.

Other Receivables – Other receivables are reported net of an allowance for doubtful accounts. An allowance for uncollectible other accounts receivable is provided based upon management's judgment, including such factors as the age of the receivable, creditworthiness of parties, historical collection experience, and type of revenue. At December 31, 2021 and 2020, there was no allowance for doubtful other accounts receivable deemed necessary.

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

	2021	2020
Beneficial interest in assets held by others	$ 1,064	$ 830
Life insurance contract	712	606
Prepaids	102	983
Total prepaids and other assets	$ 1,878	$ 2,419

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

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

Bond Issuance Costs – Bond issuance costs relate to the issuance of bonds are being amortized over the term of the bonds and are presented on the statements of financial position as a reduction to bonds payable.

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

Campaign Results – Campaigns with foundations and corporate partners are conducted throughout the year, ("Current Campaign" or "2020/2021 campaign") to support programs primarily in the subsequent fiscal year. Donors can choose to give to United Way's Child Well-Being Mission Fund, other United Way programs or to specific non-profit organizations. Overall campaign results are reduced by contributions that are fundraised by United Way but another third party is collecting and distributing the contributions or the donor has specified a non-profit organization as the beneficiary. These contributions are not included in revenues, gains, and other support or in agency allocations in the statements of activities in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Donor designated allocations payable of $8,591 and $9,553, at June 30, 2021 and 2020, respectively, include amounts fundraised by United Way that the donor has specified a non-profit organization as the beneficiary and other amounts United Way processes for other organizations.

The net campaign results for the 2020/2021 campaign are reflected as without and with donor restrictions in the year ended June 30, 2021 statement of activities based on donor intent regarding time and purpose. Campaign contributions related to the 2021/2022 campaign are included in revenues with donor restrictions as the amounts are restricted for the following year. These amounts are classified as Pacesetter Campaign contributions in the year ended June 30, 2020 statement of activities.

Child Well-Being Mission Fund – United Way's current preference is for donors to give to United Way's Child Well-Being Mission Fund. Contributions to the United Way's Child Well-Being Mission Fund are reported as without donor restrictions and are allocated by United Way and United Way volunteers to support a variety of local health and human services programs and initiatives, and operating costs of United Way. Allocations to local programs are made by United Way and United Way volunteers and are typically paid to non-profit partners in the following fiscal year in two to four installments. The first installments are distributed in the first half of the following fiscal year and are based on the level of campaign results of the Current Campaign but funded from the previous campaign. This distribution policy allows management sufficient time for the Current Campaign results to be analyzed and validated as to accuracy and collectability to avoid allocation levels in excess of actual campaign results and campaign collections. The later installments from the Current Campaign are distributed in the second six months of the following fiscal year and funded from the Current Campaign. At June 30, 2021 and 2020, United Way had committed Child Well-Being funding allocations of $5,500 and $6,600, respectively, of which, $1,688 and $3,289, respectively, are reflected as allocations payable in the statements of financial position at June 30, 2021 and 2020. The remainder of the commitment is either unallocated to specific programs as of June 30 or is contingent on cash collections on the Current Campaign and, therefore, not recorded as a liability as of June 30, 2021 and 2020 as disclosed in Note 9.

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

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

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

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

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

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

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

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

Gifts-in-Kind – Gifts-in-kind Atlanta is a program of United Way. Its primary mission is to provide donations that support operational costs for non-profits as well as support children through United Way’s Child Well-Being work. In addition, donations help to offset non-profit administrative costs so additional funds are available to serve the community. Gifts-in-kind donations consist of office furniture, equipment, and supplies. All donations received by United Way are recorded as gifts-in-kind revenues and inventory at estimated fair market value when received. Items subsequently donated are released from inventory and recorded as gifts-in-kind expense when donated. Warehouse operations for the Gifts-in-kind program ended during the year ended June 30, 2020; however, Gifts-in-kind Atlanta will still operate in a reduced capacity to support Child Well-Being work.

Contributed Services – From time to time United Way may receive various contributed administrative services that have been recorded in the statements of activities and the statements of functional expenses. During the years ended June 30, 2021, and 2020, there were no such contributed services received.

United Way pays for substantially all services that would otherwise meet the requirements to be recorded as contributed services. A substantial number of unpaid volunteers have made significant contributions of their time to United Way’s programs and fundraising campaigns. These donated services are not reflected in the financial statements since they do not meet the criteria for recognition as contributed services.

(DOLLARS IN THOUSANDS)

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

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

The expenses that are allocated include the following:

Expense	Method of Allocation
Information technology	Time and effort

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

Concentrations of credit risk for contributions receivables are limited due to the large number of donors comprising United Way's donor base. For the years ended June 30, 2021 and 2020, approximately 14% and 17%, respectively, of United Way's total revenue was from a private foundation.

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

Income Taxes – United Way is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986 ("IRC"), as amended and, therefore, no provision for income taxes has been made in the accompanying financial statements. United Way has evaluated the effect of U.S. GAAP guidance on Accounting for Uncertainty in Income Taxes and believes it continues to satisfy the requirements of tax-exempt organizations and, therefore, had no uncertain income tax positions at June 30, 2021.

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

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

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

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

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

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

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

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

Future Pronouncements – In February 2016, the Federal Accounting Standards Board ("FASB") issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in *Topic 840, Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classifications affecting the pattern of expense recognition in the statement of activities. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. This standard is effective for fiscal year ending June 30, 2023. Management is currently evaluating the impact of this standard on United Way's financial statements.

In September 2020, FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard requires presentation of contributed nonfinancial assets as a separate line item in the consolidated statement of activities, apart from contributions of cash and other financial assets. It also requires a disclosure of disaggregated contributions of nonfinancial assets by category that depicts the type of contributed nonfinancial assets. This distinction will increase transparency of contributions recognized. This standard will be effective for the fiscal year ending June 30, 2022. Management is currently evaluating the impact the pending adoption will have on United Way's financial statements.

(DOLLARS IN THOUSANDS)

Note 2—Liquidity and availability of resources

The table below represents financial assets available for general expenditures within one year at June 30, 2021 and 2020:

	2021	2020
Financial assets at year-end:		
Cash and cash equivalents	$ 35,763	$ 31,382
Investments, at fair value	40,520	35,265
Contributions receivable	18,657	17,737
Other receivables	5,500	9,741
Total financial assets	100,440	94,125
Less amounts not available to be used for general expenditures within one year:		
Subject to donor purpose restrictions	33,542	33,427
Board-designated funds	16,154	16,173
Endowments	5,846	4,648
Financial assets not available to be used within one year	55,542	54,248
Financial assets available to meet general expenditures within one year	$ 44,898	$ 39,877

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

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

To help manage liquidity needs, United Way has a committed line of credit which it can draw upon. Additionally, the United Way has board-designated net assets without donor restrictions that, while the United Way does not intend to spend these for purposes other than those identified, the amounts could be made available for current operations, if necessary (see Note 6).

(DOLLARS IN THOUSANDS)

Note 3—Land, buildings, and equipment, net

At June 30, 2021 and 2020, land, buildings, and equipment, net consist of the following:

	Useful Lives	2021	2020
Land	N/A	$ 4,390	$ 4,390
Buildings and leasehold improvements	7 - 30 years	26,417	26,409
Furniture, fixtures, and equipment	5 - 7 years	3,740	3,646
		34,547	34,445
Less accumulated depreciation		(25,090)	(23,813)
Land, buildings, and equipment, net of depreciation		$ 9,457	$ 10,632

Depreciation expense for was $1,357 and $1,310 for the years ended June 30, 2021 and 2020, respectively.

During the year ended June 30, 2020, United Way sold the Woodruff Volunteer Center building at 100 Edgewood Avenue in Atlanta, Georgia for $17,650 to Parkway Acquisitions which resulted in gain of $7,078, excluding sales costs.

Note 4—Beneficial interest in assets held by others

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

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

As shown in Note 1, the fair value of the beneficial interest was approximately $1,064 and $830 at June 30, 2021 and 2020, respectively. Income received from the community foundation each year is recognized as income with donor restrictions. Distributions received from the fund were approximately $41 for both the years ended June 30, 2021 and 2020.

Note 5—Retirement plans

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

(DOLLARS IN THOUSANDS)

Note 5—Retirement plans (continued)

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

At June 30, 2021 and 2020, United Way recognized a liability for the underfunded status of its Plan and adjusted the ending balance of net assets without donor restrictions for the transition obligation, prior service cost, and net loss that had not been recognized as components of net periodic pension cost. The liability for pension benefits is recorded was $6,433 and $8,129 as of June 30, 2021 and 2020, respectively, and is included in accounts payable and accrued liabilities in the accompanying statements of financial position.

During the year ended June 30, 2021, the Plan made lump-sum payment to employees at retirement in excess of the service cost plus interest cost for the fiscal year which resulted in a settlement to be recognized under ASC 715, *Compensation – Retirement Benefits.* Since settlement results in the elimination of significant risks related to the portion of the pension benefit obligation settled and the assets transferred, it also results in the realization of gains or losses (including any remaining transition obligation or asset) previously reported as unrealized. During the year ended June 30, 2021, the projected benefit obligation and plan assets were reduced by $1,703 and a previously unrealized gain of $325 was recognized related to this settlement.

The funded status of United Way's Plan as of June 30, 2021 and 2020, and amounts to be recognized as components of net periodic pension cost, are shown below:

	2021	2020
Projected benefit obligation	$ (23,087)	$ (23,699)
Plan assets at fair value	16,654	15,570
Funded status	$ (6,433)	$ (8,129)
Items not yet recognized as a component of net periodic pension cost:		
Net loss	$ 4,413	$ 7,155

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

	July 1, 2020	Reclassified as Net Periodic Benefit Cost	Amounts Arising During Period	Settlement Expense	June 30, 2021
Reconciliation of items not yet reflected in net periodic benefit cost:					
Net (gain) loss	$ 7,155	$ (596)	$ (1,821)	$ (325)	$ 4,413

(DOLLARS IN THOUSANDS)

Note 5—Retirement plans (continued)

	July 1, 2021	Estimated Amounts to be Reclassified as Net Periodic Benefit Cost
Estimated effect in next fiscal year of items not yet reflected in net periodic benefit cost:		
Net loss	$ (325)	$ 260

The following tables set forth the information related to the Plan as of June 30, 2021 and 2020 and the related changes for the years then ended:

	2021	2020
Projected benefit obligation, at beginning of year	$ 23,699	$ 21,929
Service cost	521	533
Interest cost	562	721
Actuarial losses	487	1,353
Benefits paid	(479)	(837)
Settlements	(1,703)	-
Projected benefit obligation, at end of year	$ 23,087	$ 23,699

	2021	2020
Fair value of Plan assets, beginning of year	$ 15,570	$ 14,456
Actual return on Plan assets	3,304	594
Employer contributions	142	1,535
Adminstrative expenses	(180)	(178)
Benefits paid	(479)	(837)
Settlements	(1,703)	-
Fair value of Plan assets, end of year	$ 16,654	$ 15,570
Reconciliation of funded status:		
Funded status	$ (6,433)	$ (8,129)
Unrecognized net loss	4,413	7,155
Net effect of adoption of recognition provisions of U.S. GAAP	(4,413)	(7,155)
Liability for pension benefits	$ (6,433)	$ (8,129)

(DOLLARS IN THOUSANDS)

Note 5—Retirement plans (continued)

	2021	2020
Components of net periodic benefit cost:		
Service cost	$ 702	$ 711
Interest cost	562	721
Expected return on Plan assets	(996)	(937)
Amortization of initial unrecognized net loss	596	473
Net periodic benefit cost charged to operating expense	$ 864	$ 968
Settlement expense	325	-
Net periodic benefit cost	$ 1,189	$ 968

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

	2021	2020
Discount rate	2.50%	2.50%
Postretirement interest rate	2.50	3.50
Expected return on assets	7.00	7.00
Rate of compensation increase	4.00	4.00

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

2022	$ 1,835
2023	913
2024	808
2025	930
2026	2,067
2027-2031	7,093
	$ 13,646

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

	2021	2020
Discount rate	2.50%	3.50%
Postretirement interest rate	2.50	3.50
Expected return on assets	7.00	7.00
Rate of compensation increase	4.00	5.25

(DOLLARS IN THOUSANDS)

Note 5—Retirement plans (continued)

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

	2021			2020		
	Amount		Percentage	Amount		Percentage
Equities	$	10,659	64%	$	9,965	64%
Fixed income		5,829	35%		4,671	30%
Cash and equivalents		166	1%		934	6%
	$	16,654	100%	$	15,570	100%

The expected long-term rate of return on Plan assets assumption of 7.00% was selected using the building block approach described by the Actuarial Standards Board in Actuarial Standards of Practice 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. Based on United Way's investment allocation for the pension plan in effect as of the beginning of the fiscal year, a best estimate range was determined for both the real rate of return (net of inflation) and for inflation based on survey-based and market-based inflation expectations. United Way's investment strategy is to invest approximately 60% of the funds in equity securities and approximately 40% in bonds and fixed income securities.

United Way is required to fund approximately $800 of contributions to the Plan during the year ending June 30, 2022. However, United Way reserves the right to make additional contributions to the Plan. No Plan assets are expected to be returned to the United Way during the year ending June 30, 2022.

United Way also has a defined contribution thrift plan. The plan was established on January 1, 1987 and all employees of United Way are eligible to participate in the plan on the first day of the month following employment. During the years ended June 30, 2021 and 2020, United Way matched, subject to IRC limitations, employee contributions up to 6% of gross pay. United Way charged to expenses approximately $568 and $602 in 2021 and 2020, respectively, under the defined contribution thrift plan.

Note 6—Line of credit

United Way has an available line of credit with SunTrust Bank with maximum borrowings of $20,000 and $5,000 for the years ended June 30, 2021 and 2020, respectively. The line of credit interest rate is the maximum of 30-day LIBOR plus 1.5% and not less than 2.25% and matures on September 30, 2021. Subsequent to June 30, 2021, the line of credit was renewed through September 29, 2022. The interest rate on the line of credit at June 30, 2021 and 2020 was 2.25% and 1.67%, respectively.

At June 30, 2021 and 2020 there were no outstanding borrowings on the line of credit.

(DOLLARS IN THOUSANDS)

Note 7—Bonds payable, net

At June 30, 2021 and 2020, United Way had the following bond obligations outstanding:

	2021	2020
Bonds payable	$ 802	$ 1,412
Less unamortized bond issuance costs	(17)	(37)
Bonds payable, net	$ 785	$ 1,375

In June 1999, United Way issued $9,000 of the Development Authority of Fulton County Tax-Exempt Adjustable Mode Revenue Bonds ("United Way of Greater Atlanta, Inc. Project"), Series 1999 (the "Series 1999 Bonds") and received net proceeds of $8,837 after payment of issuance costs of $163. The net proceeds of the Series 1999 Bonds were used to fund capital expenditures related to the Loudermilk Conference Center, which consists of a conference center, office space, and attached parking deck which served as the collateral for the Series 1999 Bonds.

In September 2011, United Way refunded the Series 1999 Bonds through the issuance of $5,810 of the Development Authority of Fulton County, Revenue Bonds, ("United Way of Greater Atlanta, Inc. Project"), Series 2011 Bonds (the "Series 2011 Bonds") and received net proceeds of $5,700 after payment of issuance costs of $145. The Series 2011 Bonds bear interest at 75% of LIBOR plus 1.75% and are privately placed with Wells Fargo. The interest rate was 2.00% and 2.04% at June 30, 2021 and 2020, respectively. Effective September 1, 2020, there was an amendment made to the existing Series 2011 Bond agreement which extended the mandatory purchase date from September 1, 2020 to June 1, 2024. The Series 2011 Bonds are subject to mandatory purchase by the United Way on June 1, 2024, unless such date is extended and failure to extend such mandatory purchase date will result in an immediate increase in the interest rate on the Series 2011 Bonds to 7%. The Loudermilk Conference Center continues to serve as the collateral for the Series 2011 Bonds.

In accordance with ASU 2015-03, *Simplifying the Presentation of Debt Issuance Costs*, the obligation under the Series 2011 Bonds is presented net of the issuance costs. The bond issuance cost is amortized using the straight-line method, which approximates the effective interest method, through interest expense over the term of the Series 2011 Bonds. Amortization expense was approximately $20 and $19 related to the bond issuance costs for the years ended June 30, 2021 and 2020, respectively.

Under the terms of the Series 2011 Bonds, United Way is required to adhere to various financial and performance covenants. At June 30, 2021, management of United Way was not aware of any noncompliance with these covenants.

Approximate annual debt service payments as of June 30, 2021, excluding interest, are payable as follows:

Years Ending June 30,	
2022	$ 510
2023	292
	$ 802

Note 8—Paycheck Protection Program loan

On April 20, 2020, United Way received a Paycheck Protection Program ("PPP") loan in the amount of $3,537. The PPP loan was granted by the Small Business Administration under The Coronavirus Aid, Relief, and Economic Security (the "CARES Act"). United Way accounts and reported the PPP loan as debt under ASC 470, Debt. The PPP loan must be repaid if United Way does not overcome certain barriers within the CARES Act. Any portion of the PPP loan that is not forgiven has a term of 24 months from the funding date of the loan with an interest rate of 1%. United Way met the conditions required for forgiveness during the year ended June 30, 2021 and recognized the forgiveness of debt within the statement of activities for the year ended June 30, 2021.

Note 9—Commitments and contingencies

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

Commitments to allocate funds to United Way agencies and other allocations are dependent on the results of United Way's campaigns. United Way historically provides agencies with anticipated funding commitments in advance and generally funds those commitments on a quarterly basis. Such commitments are subject to adjustment based on final campaign results, including subsequent collections. The unrecorded commitment under these agreements is $1,250 and $2,780 for the years ended June 30, 2021 and 2020, respectively.

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

(DOLLARS IN THOUSANDS)

Note 10—Fair value measurements of assets and liabilities

Required disclosures concerning the estimated fair value of financial instruments have been determined based on United Way's assessment of the available market information and appropriate valuation methodologies. The following tables summarize the valuation of United Way's financial assets measured at fair value at June 30, 2021 and 2020, respectively, based on the level of input utilized to measure fair value:

	Fair Value Measurements at June 30, 2021:			
Description:	Level 1	Level 2	Level 3	Total
Investments:				
Certificates of deposit	$ 50	$ -	$ -	$ 50
Mutual funds:				
Equity securities funds	18,928	-	-	18,928
Fixed income funds	21,542	-	-	21,542
Subtotal investments	40,520	-	-	40,520
Beneficial interest in assets held by others	-	-	1,064	1,064
	$ 40,520	$ -	$ 1,064	$ 41,584

	Fair Value Measurements at June 30, 2020:			
Description:	Level 1	Level 2	Level 3	Total
Investments:				
Certificates of deposit	$ 50	$ -	$ -	$ 50
Mutual funds:				
Equity securities funds	13,720	-	-	13,720
Fixed income funds	21,495	-	-	21,495
Subtotal investments	35,265	-	-	35,265
Beneficial interest in assets held by others	-	-	830	830
	$ 35,265	$ -	$ 830	$ 36,095

(DOLLARS IN THOUSANDS)

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

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

	Beneficial Interest in Assets Held by Others
Balance, July 1, 2019	$ 867
Net investment return	4
Distributions	(41)
Balance, June 30, 2020	830
Net investment return	275
Distributions	(41)
Balance, June 30, 2021	$ 1,064

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

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

	Fair Value at June 30, 2021	Valuation Technique	Unobservable Inputs	Range (Weighted Average)
Beneficial interest in assets held by others	$ 1,064	Fair value of underlying investments	Timing of realization	N/A

	Fair Value at June 30, 2020	Valuation Technique	Unobservable Inputs	(Weighted Average)
Beneficial interest in assets held by others	$ 830	Fair value of underlying investments	Timing of realization	N/A

(DOLLARS IN THOUSANDS)

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

Investment return, net for the years ended June 30, 2021 and 2020 consisted of the following:

	2021	2020
Interest and dividends, net of expenses	$ 360	$ 845
Net realized and unrealized gains on investments	5,365	332
Unrealized gains on beneficial interest in assets held by others	285	15
	$ 6,010	$ 1,192

Note 11—Net assets with donor restrictions

Net assets with donor restrictions as of June 30, 2021 and 2020 are restricted as follows:

	2021	2020
Subject to purpose restrictions:		
Homelessness	$ 15,071	$ 17,565
Education	11,897	9,331
COVID-19	637	3,896
Other direct assistance	2,974	1,490
Income	2,447	650
Health	208	153
Facilities maintenance	68	68
Total subject to purpose restrictions	33,302	33,153
Subject to time restrictions:		
Time restrictions	240	274
Total subject to purpose and time restrictions	33,542	33,427
Endowments and other perpetual gifts:		
Beneficial interest in assets held by others	1,064	830
Endowments (subject to spending policy and appropriation):		
Corpus	3,051	3,051
Accumulated investment earnings	2,795	1,597
Total endowments	5,846	4,648
Total endowments and other perpetual gifts	6,910	5,478
Total net assets with donor restrictions	$ 40,452	$ 38,905

(DOLLARS IN THOUSANDS)

Note 11—Net assets with donor restrictions (continued)

Net assets released from restrictions during the years ended June 30, 2021 and 2020 consisted of the following:

	2021	2020
Subject to purpose restriction:		
COVID-19	$ 44,588	$ 19,372
Homelessness	11,345	14,406
Education	8,839	9,339
Income	2,601	2,716
Other direct assistance	1,006	1,976
Health	879	620
	69,258	48,429
Subject to time restriction:		
Appropriation from endowment assets for expenditure	144	165
Pacesetter Campaign	274	101
Other	-	41
	418	307
Total net assets released from restriction	$ 69,676	$ 48,736

Note 12—Endowment funds

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

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

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

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

(DOLLARS IN THOUSANDS)

Note 12—Endowment funds (continued)

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

United Way's endowment net assets composition for the years ended June 30, 2021 and 2020 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
June 30, 2021:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$ -	$ 3,051	$ 3,051
Accumulated investment earnings	-	2,795	2,795
Total funds	$ -	$ 5,846	$ 5,846

	Without Donor Restrictions	With Donor Restrictions	Total
June 30, 2020:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$ -	$ 3,051	$ 3,051
Accumulated investment earnings	-	1,597	1,597
Total funds	$ -	$ 4,648	$ 4,648

Changes in the endowment net assets for the years ended June 30, 2021 and 2020 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, July 1, 2020	$ -	$ 4,648	$ 4,648
Contributions	-	-	-
Investment return, net	-	1,342	1,342
Amounts appropriated for expenditure	-	(144)	(144)
Endowment net assets, June 30, 2021	$ -	$ 5,846	$ 5,846

(DOLLARS IN THOUSANDS)

Note 12—Endowment funds (continued)

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, July 1, 2019	$ -	$ 4,671	$ 4,671
Contributions	-	-	-
Investment return, net	-	142	142
Amounts appropriated for expenditure	-	(165)	(165)
Endowment net assets, June 30, 2020	$ -	$ 4,648	$ 4,648

Underwater Endowment Funds – From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the applicable state law requires United Way to maintain as corpus. United Way has interpreted UPMIFA to prohibit spending from underwater endowments in accordance with prudent measures required under law. There were no donor-restricted endowment funds that had a fair value below corpus of as of June 30, 2021 and 2020.

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

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

(DOLLARS IN THOUSANDS)

Note 12—Endowment funds (continued)

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

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

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

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

Note 13—Related parties

United Way is the sole member of 24/7 Gateway, LLC, a 501(c)(3) exempt organization under the IRC. Because United Way is not actively involved in the management of 24/7 Gateway, LLC and does not appoint the Board of Directors or otherwise exercise control, operations of 24/7 Gateway, LLC are not consolidated in these financial statements. United Way recorded allocations payable to 24/7 Gateway, LLC at June 30, 2021 and 2020 of approximately $138 and $200, respectively. Allocations and expenses within the accompanying statements of activities for 24/7 Gateway, LLC for the years ended June 30, 2021 and 2020 are approximately $2,945 and $2,788, respectively.

Note 14—Risks and uncertainties

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (“COVID-19”) a global pandemic, which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in the financial markets. As a result of the spread of COVID-19, economic uncertainties have arisen, which may likely negatively impact operating results of United Way. Other financial impacts could occur though such potential impact is unknown at this time.

Note 15—Subsequent events

United Way has evaluated subsequent events through December 21, 2021, which was the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

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

YEAR ENDED JUNE 30, 2021

Federal Grantor/ Pass-through Grantor/Program Title	Assistance Listing Number	Amount Passed Through to Subrecipient	Total Federal Expenditures
Federal Awards			
U.S. Department of Veteran Affairs:			
VA Supportive Services for Veteran Families Program	64.033	$ -	$ 135,231
Total U.S. Department of Veterans Affairs		-	135,231
U.S. Department of Justice:			
Pass-through from the Office of the Governor			
Criminal Justice Coordinating Council	16.575	-	464,588
Total U.S. Department of Justice		-	464,588
U.S. Department of Housing and Urban Development:			
Pass-through from Atlanta Housing Authority			
Choice Neighborhoods Implementation Grant Program	14.889	-	157,190
Pass-through from Gwinnett Conty, Georgia			
Community Development Block Grant	14.218	-	38,853
Total U.S. Department of Housing and Urban Development		-	196,043
Department of the Treasury:			
Volunteer Income Tax Assistance (VITA) Matching Grant Program	21.009	34,898	252,972
Pass-through from the City of Atlanta, Georgia			
COVID 19 - Emergency Rental Assistance Program	21.023	226,509	6,913,898
Pass-through from Gwinnett County, Georgia			
COVID 19 - Emergency Rental Assistance Program	21.023	-	373,981
Pass-through from the City of Atlanta, Georgia			
COVID 19 - Coronavirus Relief Fund	21.019	19,019,753	22,000,000
Pass-through from Gwinnett County, Georgia			
COVID 19 - Coronavirus Relief Fund	21.019	-	176,574
Total Department of the Treasury		19,281,160	29,717,425
Total Expenditures of Federal Awards		**$ 19,281,160**	**$ 30,513,287**

Note 1—Basis of presentation

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

Note 2—Summary of significant accounting policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in 2 CFR Part 230, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3—Contingencies

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

Note 4—Indirect cost rate

United Way has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

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

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered United Way's internal control over financial reporting ("internal control") as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of United Way's internal control. Accordingly, we do not express an opinion on the effectiveness of United Way's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Cherry Bekaert LLP

Atlanta, Georgia
December 21, 2021

Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

We believe our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of United Way's compliance.

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Cherry Bekaert LLP

Atlanta, Georgia
December 21, 2021

I. Summary of Auditor's Results

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

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

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

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

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

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

g) Identification of major programs:

21.019 COVID 19 - Coronavirus Relief Fund

21.023 COVID 19 - Emergency Rental Assistance Program

h) Dollar threshold used to distinguish between Type A and Type B programs: **$915,399**

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

II. Financial Statement Findings

None noted.

III. Federal Award Findings and Questioned Costs

None noted.