Consolidated Financial Statements and Report of Independent Certified Public Accountants

United Way Worldwide and Subsidiaries

December 31, 2023 and 2022

Contents

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees
United Way Worldwide and Subsidiaries

Opinion
We have audited the consolidated financial statements of United Way Worldwide and Subsidiaries (the “Organization”), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2023 and 2022, 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.

Basis for opinion
We conducted our audits of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). 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 consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 for one year after the date the consolidated financial statements are issued.

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Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated 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 US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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.

Grant Thornton LLP

Arlington, Virginia
June 20, 2024

United Way Worldwide and Subsidiaries

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31,
(in thousands)

		2023		2022
ASSETS				
Cash and cash equivalents	$	5,424	$	7,448
Custodial funds (Notes 3 and 4)		8,620		8,096
Member United Way receivables, net (Note 5)		1,769		3,370
Contributions receivable, net (Note 6)		5,216		5,952
Investments, at fair value (Notes 2 and 4)		21,425		28,221
Investments, at cost (Notes 2)		5,388		5,388
Property and equipment, net (Note 7)		20,899		21,926
Other assets (Note 8)		2,322		5,100
Total assets	$	71,063	$	85,501
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable and accrued liabilities	$	2,515	$	2,271
Custodial funds (Notes 3 and 4)		8,620		8,096
Deferred revenue		5,072		6,784
Pension benefits liability (Note 10)		4,449		4,717
Postretirement benefits liability (Note 10)		840		939
Notes payable to United Way Members		-		640
Other liabilities		351		356
Total liabilities		21,847		23,803
Net assets				
Without donor restrictions (Notes 11 and 15)		30,717		38,526
With donor restrictions (Notes 12 and 15)		18,499		23,172
Total net assets		49,216		61,698
Total liabilities and net assets	$	71,063	$	85,501

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

United Way Worldwide and Subsidiaries

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended December 31, 2023
(in thousands)

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues			
Public support and other revenues			
Membership support, net	$ 27,918	$ -	$ 27,918
Contributions	12,078	9,048	21,126
Program service fees	1,349	175	1,524
Investment return, net	1,370	634	2,004
Conferences	560	-	560
Miscellaneous and other	301	-	301
Net assets released from restrictions			
Satisfaction of program restrictions (Note 13)	14,519	(14,519)	-
Total revenues	58,095	(4,662)	53,433
Expenses			
Program services			
Global network advancement	33,406	-	33,406
Donor advised giving	6,336	-	6,336
Digital services	2,601	-	2,601
Brand strategy and marketing	8,289	-	8,289
Other program services	5,220	-	5,220
Total program services	55,852	-	55,852
Supporting services			
General and administrative	8,768	-	8,768
Fundraising	1,926	-	1,926
Total supporting services	10,694	-	10,694
Total expenses	66,546	-	66,546
Operating loss	(8,451)	(4,662)	(13,113)
Non-operating items			
Pension-related changes other than net periodic pension cost	642	-	642
Other adjustments	-	(11)	(11)
Total non-operating items	642	(11)	631
CHANGES IN NET ASSETS	(7,809)	(4,673)	(12,482)
Net assets, beginning of year	38,526	23,172	61,698
Net assets, end of year	$ 30,717	$ 18,499	$ 49,216

The accompanying notes are an integral part of this consolidated financial statement.

United Way Worldwide and Subsidiaries

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended December 31, 2022
(in thousands)

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues			
Public support and other revenues			
Membership support, net	$ 39,742	$ -	$ 39,742
Contributions	44,544	8,636	53,180
Program service fees	3,474	-	3,474
Investment return, net	(9)	(746)	(755)
Conferences	873	-	873
Miscellaneous and other	708	-	708
Net assets released from restrictions			
Satisfaction of program restrictions (Note 13)	20,331	(20,331)	-
Total revenues	109,663	(12,441)	97,222
Expenses			
Program services			
Global network advancement	35,859	-	35,859
Donor advised giving	12,793	-	12,793
Digital services	15,398	-	15,398
Brand strategy and marketing	4,993	-	4,993
Other program services	4,291	-	4,291
Total program services	73,334	-	73,334
Supporting services			
General and administrative	5,153	-	5,153
Fundraising	2,555	-	2,555
Total supporting services	7,708	-	7,708
Total expenses	81,042	-	81,042
Operating gain (loss)	28,621	(12,441)	16,180
Non-operating items			
Pension-related changes other than net periodic pension cost	(799)	-	(799)
Total non-operating items	(799)	-	(799)
CHANGES IN NET ASSETS	27,822	(12,441)	15,381
Net assets, beginning of year	10,704	35,613	46,317
Net assets, end of year	$ 38,526	$ 23,172	$ 61,698

The accompanying notes are an integral part of this consolidated financial statement.

United Way Worldwide and Subsidiaries

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2023
(in thousands)

	Salaries, Employee Benefits and Taxes	Professional Fees, Contract Services and Other Expenses	Conferences, Travel and Staff Development	Scholarships, Grants and Awards	Occupancy, Telephone, Shipping and Supplies	Depreciation and Amortization	Total Expenses
Program services							
Global network advancement	$ 13,114	$ 7,710	$ 682	$ 10,014	$ 1,406	$ 480	$ 33,406
Donor advised giving	169	228	2	5,881	49	7	6,336
Digital services	642	1,878	18	1	40	22	2,601
Brand strategy and marketing	3,863	2,477	1,448	8	326	167	8,289
Other program services	2,835	1,660	132	87	361	145	5,220
Total program services	20,623	13,953	2,282	15,991	2,182	821	55,852
Supporting services							
General and administrative	4,153	4,137	145	-	137	196	8,768
Fundraising	1,062	487	68	-	35	274	1,926
Total supporting services	5,215	4,624	213	-	172	470	10,694
Total expenses	$ 25,838	$ 18,577	$ 2,495	$ 15,991	$ 2,354	$ 1,291	$ 66,546

The accompanying notes are an integral part of this consolidated financial statement.

United Way Worldwide and Subsidiaries

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2022
(in thousands)

	Salaries, Employee Benefits and Taxes	Professional Fees, Contract Services and Other Expenses	Conferences, Travel and Staff Development	Scholarships, Grants and Awards	Occupancy, Telephone, Shipping and Supplies	Depreciation and Amortization	Total Expenses
Program services							
Global network advancement	$ 14,314	$ 4,176	$ 551	$ 14,867	$ 1,331	$ 620	$ 35,859
Donor advised giving	165	174	2	12,372	73	7	12,793
Digital services	1,134	13,625	508	(141)	191	81	15,398
Brand strategy and marketing	3,115	1,390	116	3	207	162	4,993
Other program services	2,644	723	500	3	293	128	4,291
Total program services	21,372	20,088	1,677	27,104	2,095	998	73,334
Supporting services							
General and administrative	2,578	1,522	266	109	489	189	5,153
Fundraising	1,256	1,100	63	1	74	61	2,555
Total supporting services	3,834	2,622	329	110	563	250	7,708
Total expenses	$ 25,206	$ 22,710	$ 2,006	$ 27,214	$ 2,658	$ 1,248	$ 81,042

The accompanying notes are an integral part of this consolidated financial statement.

United Way Worldwide and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31,
(in thousands)

	2023	2022
Cash flows from operating activities:		
Cash received from donors	$ 22,551	$ 65,604
Cash received from Member United Ways	32,188	49,727
Cash received from customers	3,796	3,704
Cash received from sale of donated stocks	-	595
Interest and dividend received	871	564
Cash paid to vendors	(20,810)	(34,866)
Cash paid for payroll, employee benefits, taxes, and voluntary deductions	(27,380)	(27,190)
Grants paid	(7,920)	(21,688)
Cash paid to Member United Ways	(11,787)	(17,461)
Interest paid	(20)	(156)
Investment expenses paid	(69)	(53)
Net cash (used in) provided by operating activities	(8,580)	18,780
Cash flows from investing activities:		
Purchase of property and equipment	(303)	(68)
Proceeds from sale of investments	21,820	6,686
Purchase of investments	(14,322)	(28,710)
Net cash provided by (used in) investing activities	7,196	(22,092)
Cash flows from financing activities:		
Payment on the line of credit	-	(5,000)
Principal payments on equipment notes payable	-	(352)
Principal payment on promissory notes	(640)	(1,580)
Payment on finance lease	-	(39)
Net cash used in financing activities	(640)	(6,971)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,024)	(10,283)
Cash and cash equivalents, beginning of year	7,448	17,731
Cash and cash equivalents, end of year	$ 5,424	$ 7,448

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Overview

For 137 years, the United Way network has served as a vehicle for volunteers, donors, partners and advocates who seek to change lives and communities through service, collaboration and impact. As one of the world's largest privately funded charities, the United Way network serves 95% of U.S. communities and 37 countries and territories. It impacts more than 48 million people every year. In 2023, United Way was the mission of choice for 1.5 million volunteers, 6.8 million donors, and 45,000 corporate partners in more than 1,100 communities worldwide.

United Way Worldwide (UWW or the Organization) is the network's global leadership organization, based in Alexandria, Virginia and organized under the New York State nonprofit statute. UWW seeks to support the network in advancing the collective mission of United Way to improve lives by mobilizing the caring power of communities around the world. UWW provides support for the global network in key programmatic areas of brand stewardship, global fundraising at scale, advocacy and public policy, and leadership development and training. UWW is largely funded by membership dues from the United Way network. These local, statewide, regional, and country United Ways across the world are autonomous charitable organizations, have independent boards and issue separate financial statements, which are not included in the accompanying financial statements.

UWW maintains registered offices in Geneva, Switzerland and Shanghai, China. Additionally, United Way Worldwide Asia Limited (UWW Asia) is a wholly owned subsidiary of UWW incorporated in Hong Kong on January 19, 2010, with a mission to support UWW's work in the Asia Pacific Region of the world. UWW Asia obtained tax exempt status on March 21, 2011.

Organization Structure

UWW's operational structure includes the following program and supporting services, which are included in the accompanying consolidated statement of activities:

Program Services

<u>Global Network Advancement</u>

The Global Network Advancement Team provides governance, resource development, program and capacity building support, member grant distribution services, and training to United Way members around the world.

<u>Donor Advised Giving</u>

The United Way Worldwide Donor Advised Giving Program facilitates grants to domestic and international organizations, based upon recommendations by program coordinators that meet programmatic or geographic interest of both the donors and UWW.

<u>Digital Services</u>

The United Way Digital Services team collaborates with the United Way network in regard to digital technology-based donor engagement strategies.

Brand Strategy and Marketing

The Brand Strategy and Marketing team provides support in all brand identity to United Way members and consistency matters including marketing, advertising and other promotional opportunities designed to promote individual participation in advancing the common good and to strengthen trust in the United Way brand around the world.

Other Program Services

Other Program Services include the production and delivery of training programs and learning opportunities for United Way volunteers, staff and partners; management of national fiscal agent relationships with a number of for-profit companies that provide workforce campaign pledge processing; and providing licensing rights to select vendors to sell promotional products bearing the United Way brand and trademarks.

Supporting Services

General and Administrative

General and Administrative services include the functions necessary to secure proper administrative functioning of UWW's governing board, to maintain an effective working environment, and to manage financial responsibilities of UWW.

Fundraising

Fundraising includes the functions necessary to secure financial support for the work of UWW and its members

Basis of Accounting

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

Cash Equivalents

Cash equivalents are liquid investments with original maturities at the date of purchase of three months or less and consist primarily of money market funds.

Custodial Funds

In 1983, a national board was convened to oversee the distribution of funds through the Emergency Food and Shelter Program (EFSP), a separate Congressionally authorized program of the Department of Homeland Security's Federal Emergency Management Agency (FEMA), and UWW was appointed fiscal agent. As the fiscal agent, UWW is the custodian of the funds and is responsible for the administration and disbursement of grants as directed by the national board. EFSP is not consolidated into the Organization's financial statements. Since 1983, U.S. Congress has allocated more than $6.5 billion to FEMA to provide emergency food and shelter to needy individuals throughout the country. UWW charged certain administrative expenses to EFSP totaling $347 and $328 for the years ended December 31, 2023 and 2022, respectively. As of December 31, 2023 and 2022, an undistributed balance of $7,917 and $5,742, respectively, was included in the custodial funds with a corresponding liability in the accompanying consolidated statements of financial position.

UWW also acts as trustee for a planned giving investment program, called a Pooled Income Fund (PIF), where participants are entitled to income distributions. The PIF is currently held for residents of Florida, New Jersey, and Pennsylvania. The fair value of the PIF pool at December 31, 2023 and 2022 amounts to $129 and $130, respectively.

In addition, UWW acts as the trustee for a planned giving investment program called the Charitable Gift Annuity Program (CGA), where annuity payments are made to the named annuitant(s) for life and any residual value is restricted by the donor to benefit a member United Way. The CGA is currently held for residents of California, Connecticut, Florida, Massachusetts, Maryland, Missouri, New York, North Carolina, New Mexico, Ohio, Pennsylvania, South Carolina, Texas, Virginia, and Wisconsin. As of December 31, 2023 and 2022, the fair value of the CGA pool is $252 and $299, respectively.

UWW also maintains two fiscal agent agreements with third parties on behalf of its members to provide donation processing services related to certain employee giving campaigns (federated fundraising campaigns). Because these campaigns are considered “fundraising activity” of UWW’s members, UWW records no revenue from the transactions but does record collected funds, not yet distributed by the third-party processors, as a custodial asset and custodial liability. As of December 31, 2023 and 2022, the fund’s fair value of $322 and $1,925, respectively, is included in custodial funds.

As of December 31, 2023 and 2022, UWW’s custodial funds totaled $8,620 and $8,096, respectively, and were included in the custodial funds with a corresponding liability in the accompanying consolidated statements of financial position.

Member United Way Receivables

Member United Way receivables consist of amounts due from UWW members for the use of the name and service marks owned by UWW, participation fees for special affinity/leadership groups, and other miscellaneous charges. An allowance for uncollectible member United Way receivables is provided based on management’s judgement of collectability based on known factors. Member United Way receivables are written off if reasonable collection efforts prove unsuccessful or after revocation of membership.

Contributions Receivable

Contributions receivable consist of unconditional promises to give and are recorded in the year the promise is made. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. An allowance for uncollectible contributions receivable is provided based on management’s judgment, including such factors as prior collection history, subsequent collections, type of contribution, and nature of fundraising activity.

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discount is included in contribution revenue. The interest rate used in computing the discount of the estimated future cash flows ranged from 2.25% to 4.23% for pledges received in 2023 and 2022. The discount will be recognized as contributions revenue in future fiscal years as the discount is amortized over the duration of the contributions.

Conditional promises to give are not included as revenue until the conditions are substantially met.

Investments

Investments are reported at fair value. Unrealized and realized gains and losses are included in the consolidated statements of activities. Investment expenses, such as custodial, commission, and investment advisory fees, are netted against investment income (loss) in the consolidated statements of activities.

Investment in the Foreign Limited Partnership is accounted for under the cost method of accounting. The partnership has the primary objective of making venture capital investments in India and other Asian countries. This investment was acquired as a contribution, the Organization recorded the investment at market value at the time of contribution, based on an independent third-party market valuation. The investment is carried at cost and annually valued for impairment based on valuation methods typical for this type of investment. There was no impairment loss on the investment at cost at December 31, 2023 and 2022.

Property and Equipment

Property and equipment are recorded at cost. The Organization capitalizes expenditures for property and equipment in excess of the threshold specified below. Depreciation and amortization are calculated using the straight-line method over the following useful lives:

Building	25 - 35 years
Building improvements	5 - 15 years
Furniture, equipment, auto, and software	2 - 15 years
Capitalization threshold	$ 2.5

When assets are sold or otherwise disposed of, the asset and related accumulated depreciation and amortization are removed from the accounts and any remaining gain or loss is included in operations. Repairs and maintenance are charged to expense when incurred. Costs associated with construction in progress are held until the asset is placed in service, at which point the asset is transferred out of construction in progress and depreciated over its estimated useful life.

Other Assets

Other assets include amounts due from others on the sale of services/goods, prepaid expenses, the cash surrender value of life insurance contracts, and the plan assets of UWW's deferred compensation plan (which are stated at net asset value, which approximates the fair value).

Deferred Revenue

Deferred revenues for Training Credits represent the balance of credits against dues paid by UWW Members that are redeemed when members incur eligible costs for training programs or events approved by UWW. Revenues have been recognized as members utilized these credits. These credits were subject to terms and any unused credits would be recognized as revenue when they expired. At the end of 2023, the Organization discontinued the program for issuance and use of these training credits in order to initiate new learning and development programming. The Organization has not yet determined when or how these unexpired credits will be redeemed in the future.

Other deferred revenues represent conditional contributions received that have not yet been realized. Deferred revenue consists of the following at December 31:

	2023	2022
Training credits	$ 4,174	$ 5,287
Other	898	1,497
Total deferred revenue	$ 5,072	$ 6,784

Net Assets

Net Assets without Donor Restrictions

Net assets without donor restrictions are available for use at the discretion of the Board of Trustees (the Board) and/or management for general operating purposes. From time to time, the Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion. For example, the Board designated a portion of net assets without donor restrictions as a quasi-endowment (an amount to be treated by management as if it were part of the donor restricted endowment) for the purpose of securing the Organization's long-term financial viability.

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.

The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the consolidated statement of activities as net assets released from restrictions.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy.

Revenue Recognition

UWW Membership Revenue

Membership revenue is recorded ratably over the calendar year membership term. Membership of UWW allows member United Ways to use the name and trademarks owned by UWW during the period of membership. Membership support is based on a formula tied to certain types of the member's annual revenue streams. If any member does not remit its annual membership support, the member's ability to utilize the United Way name and trademarks can be revoked. Membership revenue is recognized net of training credits provided to the members.

These training credits are recorded as deferred revenue until the credit expires or is used by the member, at which time the related training revenue is recognized.

Functional Allocation of Expenses

The consolidated statement of functional expenses presents expenses by function and natural classification. Expenses directly attributable to a specific functional area of UWW are reported as expenses of those functional areas. A portion of general and administrative costs that benefit multiple functional areas (indirect costs) have been allocated across programs and other supporting services based on the proportion of full-time employee equivalents of a program or other supporting service versus the total organizational full-time employee equivalents with a modification, based on select periodic time studies, that adjusts the general formula for the time of some employees who are directly engaged in work related to multiple functional areas.

Endowment

The Organization's donor restricted endowment consists of two funds, one established for the purpose of providing home care and assisted living to the elderly poor, with specific reference to assisting older people to remain in their own homes, and the other established for the purpose of providing general operational support for the Organization. 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.

Interpretation of Relevant Law

The Board of Trustees has determined that the New York Prudent Management of Institutional Funds Act (NY PMIFA), an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), applies to the Organization's endowment fund. UPMIFA provides guidance and authority to charitable organizations concerning the management and investment of funds held by those organizations, and UPMIFA imposes additional duties on those who manage and invest charitable funds. These duties provide additional protections for charities and also protect the interests of donors who want to see their contributions used wisely.

The Organization classifies as net assets with donor restrictions (a time restriction in perpetuity) the original value of the gifts donated to the donor restricted endowment and the original value of subsequent gifts to the donor restricted endowment. Investment income from the donor restricted endowment is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the donor stipulated purpose within the standard of prudence prescribed by UPMIFA.

Investment Policy

The fundamental investment objectives for investments are to ensure the safety and preservation of principal, meet liquidity needs, apply diversification and risk limits appropriate to the investment pools and achieve optimal net investment returns subject to risk tolerance, investment pool objectives and policy constraints. The asset pools in which the endowment funds are invested require current income, which is the minimum needed for expenses and prudent liquidity, growth of income for planning and execution of distributions, and capital growth for long-term growth and sustainability.

Spending Policy

In making expenditures from endowment funds, the Board of Trustees complies first with any restrictions or requirements in the gift instrument as to purpose and amount. Except as otherwise provided by the gift instrument, in making expenditures from endowment funds, the Board takes into account all relevant considerations including, but not limited to, the long- and short-term needs of the Organization in carrying out its purposes, its present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions. The Organization follows a spending policy that prescribes an annual analysis of the historic dollar value of the endowment funds with a general goal of annual appropriation from accumulated investment earnings equal to 5% of the three-year average fair value of the endowment corpus plus all accumulated but unappropriated earnings on the corpus. The Board has the discretion adjust the spending rate in any individual year; however, the rate should generally be in the range of 3% to 5% and is subject to the following limitations:

a. The appropriation cannot exceed the net accumulated but unappropriated investment earnings.

b. Appropriation of any amount greater than 7.0% of the three-year averages will require an affirmative vote of full Board of Trustees.

c. Appropriation of any portion of the corpus of the Endowments will require an affirmative vote of 75% of the Board of Trustees.

Underwater Endowment Funds

The Organization considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organization complies with the NY PMIFA, an enacted version of UPMIFA, and has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

Funds with Deficiencies

From time to time, certain donor-restricted and quasi endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Organization has interpreted NY PMIFA to permit spending from underwater endowments in accordance with prudent measures required under the law.

There were no funds with deficiencies at December 31, 2023 and 2022, respectively.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Financial Instruments and Credit Risk

UWW maintains its cash balances at several financial institutions which, at times, may exceed federally insured limits. At December 31, 2023 and 2022, UWW held $5,172 and $6,390 in uninsured cash and cash equivalents, respectively. UWW has not experienced any losses in such accounts and believes it is not exposed to significant credit risk on its cash and cash equivalents.

Recent Accounting Pronouncements

In March 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2020-04, *Reference Rate Reform (Topic 848)*: Facilitation of the Effects of Reference Rate Reform on Financial Reporting, which provides temporary, optional guidance for a limited period of time to ease the potential burden in accounting for transactions affected by reference rate (e.g., LIBOR) reform. The standard is available for the Organization in 2020 through 2024. The Organization adopted ASU 2020-04 as of January 1, 2023 and it did not have a material effect on the financial statements.

$ Amounts in Thousands

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses (Topic 326), which changes the impairment model for most financial assets. The new model uses a forward-looking expected loss method, which will generally result in earlier recognition of allowances for credit losses. The measurement if expected credit losses is based upon historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. The implementation of this amendment is effective for reporting periods beginning after December 15, 2022, for private entities, or as of January 1, 2023. The Organization adopted ASU 2016-13 as of January 1, 2023 and it did not have a material effect on the financial statements.

Reclassification

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations and change in net assets.

NOTE 2 - INVESTMENTS

Investments, at fair value, consist of the following at December 31:

	2023	2022
Corporate bonds	$ 8,305	$ 14,945
Equity securities	5,178	4,977
U.S. Treasury notes	6,618	7,181
Bond funds	1,324	1,118
Total	$ 21,425	$ 28,221

Investments, at cost, consisted of investment in a Foreign Limited Partnership and totaled $5,388 as of December 31, 2023 and 2022.

NOTE 3 - CUSTODIAL FUNDS

Custodial funds, at fair value, consist of the following at December 31:

	2023	2022
Cash equivalents	$ 8,258	$ 7,760
Equity securities	122	320
U.S. Treasury notes	164	16
Corporate Bonds	76	-
Total	$ 8,620	$ 8,096

$ Amounts in Thousands

NOTE 4 - FAIR VALUE MEASUREMENTS

The following methods and assumptions were used by the Organization in estimating the fair value of other financial instruments, which consist of investments and custodial funds. As defined in FASB Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements*, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The Organization utilizes market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable. The Organization primarily applies the market approach for recurring fair value measurements and endeavors to utilize the best available information.

FASB ASC Topic 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value and maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to measurements involving significant unobservable inputs (Level 3).

Recurring Fair Value Measurements

A summary of investments and custodial fund investments summarized by input level as of December 31, 2023 is as follows:

	Level 1	Level 2	Level 3	Total
Investments				
Corporate bonds				
Domestic	$ 8,305	$ -	$ -	$ 8,305
Equity securities				
Domestic	4,899	-	-	4,899
International	137	-	-	137
Emerging markets	142	-	-	142
U.S. Treasury notes	6,618	-	-	6,618
Bond funds	1,324	-	-	1,324
Total investments	$ 21,425	$ -	$ -	$ 21,425
Custodial funds				
Cash equivalents	$ 8,258	$ -	$ -	$ 8,258
Equity securities - domestic	122	-	-	122
U.S. Treasury notes	164	-	-	164
Corporate bonds	76	-	-	76
Total custodial funds	$ 8,620	$ -	$ -	$ 8,620

$ Amounts in Thousands

A summary of investments and custodial fund investments summarized by input level as of December 31, 2022 is as follows:

	Level 1	Level 2	Level 3	Total
Investments				
Corporate bonds				
Domestic	$ 14,945	$ -	$ -	$ 14,945
Equity securities				
Domestic	4,320	-	-	4,320
International	469	-	-	469
Emerging market	188	-	-	188
U.S. Treasury notes	7,181	-	-	7,181
Bond funds	1,118	-	-	1,118
Total investments	$ 28,221	$ -	$ -	$ 28,221
Custodial funds				
Cash equivalents	$ 7,760	$ -	$ -	$ 7,760
Equity securities - domestic	320	-	-	320
U.S. Treasury notes	16	-	-	16
Total custodial funds	$ 8,096	$ -	$ -	$ 8,096

NOTE 5 - MEMBER UNITED WAY RECEIVABLES

Member United Way receivables, net consist of the following at December 31:

	2023	2022
Member United Way receivables	$ 2,720	$ 4,121
Allowance for doubtful accounts	(951)	(751)
	$ 1,769	$ 3,370

Bad debt expense related to Member United Way receivables totaled $276 for the year ending December 31, 2023. For the year ending December 31, 2022, the allowance for doubtful accounts was reduced by $2,646 as receivables that were previously considered unlikely to be collected were collected.

$ Amounts in Thousands

NOTE 6 - CONTRIBUTIONS RECEIVABLE

Contributions receivable, net consist of the following unconditional promises to give at December 31:

	2023	2022
Amounts due in		
Less than one year	$ 2,839	$ 2,455
One to five years	1,625	2,581
More than five years	2,625	2,950
Total contributions receivable	7,089	7,985
Less: discount	(1,815)	(1,927)
Less: allowance for uncollectible pledges	(58)	(107)
	$ 5,216	$ 5,952

There was no bad debt expense recorded related to contribution receivable for the year ending December 31, 2023. Bad debt expense related to contributions receivable totaled $1,051 for the year ended December 31, 2022.

NOTE 7 - PROPERTY AND EQUIPMENT

Property and equipment, net consist of the following at December 31:

	2023	2022
Land	$ 2,102	$ 2,102
Building and building improvements	41,639	41,575
Furniture, artwork, equipment, and technology	9,786	9,587
	53,527	53,264
Less: accumulated depreciation and amortization	(32,628)	(31,337)
	$ 20,899	$ 21,926

Depreciation expense totaled $1,291 and $1,248 for the years ended December 31, 2023 and 2022, respectively.

$ Amounts in Thousands

NOTE 8 - OTHER ASSETS

Other assets consist of the following at December 31:

	2023	2022
Accounts receivable, net of allowance for doubtful accounts	$ 1,011	$ 777
Prepaid expenses and deposits	403	3,456
Life insurance contracts and deferred compensation plan assets	908	867
	$ 2,322	$ 5,100

NOTE 9 - DEBT

In August 2020, UWW entered into a line of credit agreement with HSBC Bank USA, N.A. (HSBC LOC) The maximum capacity of the agreement was $5 million. The Organization incurred $96 of interest expense on the line of credit for the year ended December 31, 2022. The line of credit was fully paid down and terminated on December 1, 2022.

Investments in United Way Digital Holding, LLC (UWDH)

On December 31, 2018, as part of a dissolution agreement for United Way Digital Holdings, LLC, UWW entered into promissory notes with 11 local United Way members, collectively totaling $3,360. The promissory notes were unsecured and carried an interest rate of 2.72%. The promissory notes were fully settled at December 31, 2023. The total amount outstanding of these promissory notes was $640 at December 31, 2022. Interest paid on the above loans totaled $20 and $45 for the years ending December 31, 2023 and 2022, respectively.

NOTE 10 - PENSION AND OTHER POSTRETIREMENT BENEFITS

The Organization sponsors the Pension Plan of the United Way Worldwide (UWW Plan), several Non Qualified Plans, and two Postretirement Benefit Plans. The Non-Qualified Plans include the United Way of America Senior Vice President's Plan (Senior VP Plan), United Way of America 415 Replacement Plan (415 Replacement Plan), and the United Way of America Supplemental Employee Retirement Plan (SERP). The Postretirement Plans include health care and life insurance benefits.

Reconciliation of Defined Benefit Plan Liabilities and Expenses to the Consolidated Financial Statements

The following table presents a reconciliation of the liabilities recognized for UWW's pension benefits to the presentation in the consolidated financial statements at December 31:

	2023	2022
UWW Plan	$ 4,256	$ 4,518
Non-Qualified Plans	37	39
UWW Make-up Plan	156	160
Total recognized liability	$ 4,449	$ 4,717

$ Amounts in Thousands

The following table presents a reconciliation of the components of United Way Worldwide of the postretirement benefit plans obligation to the presentation in the consolidated financial statements at December 31:

	2023	2022
Postretirement benefit plans obligation	$ 840	$ 939

The following table presents a reconciliation of the change in United Way Worldwide's unrecognized gain (loss) recognized apart from expenses in the consolidated financial statements at December 31, 2023 and 2022:

	2023	2022
UWW Plan	$ 668	$ (975)
Non-Qualified Plans	4	9
Postretirement Plans	(30)	167
Total change in unrecognized gain (loss) recognized apart from expenses	$ 642	$ (799)

Pension Plan of United Way Worldwide

The UWW Plan (UWW Plan) is a qualified, noncontributory defined benefit pension plan and covers employees who have reached the age of 21 and completed one year of employment. An employee's interest becomes fully vested upon the completion of three years or five years of service, depending on the date of hire, and is generally payable upon attainment of early retirement age. Contributions to the plan are based on actuarially determined amounts.

At December 31, 2023 and 2022, the benefit levels of participants in the UWW Plan are frozen and new employees are precluded from participating in the UWW Plan.

The following is a summary of the funded status of the UWW Plan as of December 31, 2023 and the key assumptions used by the UWW Plan's actuary. The calculations are performed based on measurement date of December 31, 2023 and 2022.

Obligations and Funded Status

	December 31,	
	2023	2022
Accumulated benefit obligation	$ 35,948	$ 35,540
Projected benefit obligation	35,948	35,540
Fair value of plan assets	31,691	31,022
Funded status - underfunded	$ (4,257)	$ (4,519)
Unfunded pension liability	$ 4,257	$ 4,519

$ Amounts in Thousands

Items not yet recognized as a component of net periodic pension cost during the years are as follows:

	December 31, 2023	December 31, 2022
Net loss	$ (8,081)	$ (9,498)

UWW paid $2,280 and $2,286 in pension benefits during 2023 and 2022, respectively. UWW did not contribute to the defined benefit plan in 2023 or 2022.

Net Periodic Benefit Cost

Components of net periodic benefit cost recognized as expenses in the accompanying consolidated statements of activities for the years ended December 31:

	2023	2022
Interest cost	$ 1,750	$ 1,220
Expected return on assets	(1,344)	(1,794)
Amortization of loss	749	534
	$ 1,155	$ (40)

Assumptions

Weighted-average assumptions used to determine the benefit obligation and net periodic pension benefit cost at December 31, 2023 and 2022 are as follows:

	2023	2022
Benefit obligation		
Discount rate	4.85%	5.1%
Rate of compensation increase	N/A	N/A
Net periodic benefit cost		
Discount rate	5.10%	2.7%
Rate of compensation increase	N/A	N/A
Expected return on plan assets	5.75%	5.0%

Plan Assets

The fair value of plan assets by asset class as of December 31, 2023 and 2022 were:

	2023	2022
Pooled separate accounts - bond funds	$ 22,168	$ 21,192
Pooled separate accounts - equity securities	9,523	9,830
Total	$ 31,691	$ 31,022

The fair value of plan assets, consisting of pooled separate accounts, qualified as Level 2 investments under the FASB ASC Topic 820 hierarchy. The units held in pooled separate accounts are valued at the unit values as reported by the UWW Plan trustee as of December 31, 2023 and 2022. The unit values are based upon the fair values of underlying investments as determined periodically by the UWW Plan trustee.

$ Amounts in Thousands

The UWW Plan assets are diversified to minimize risk and maximize returns. Asset allocations will change in accordance with funded attainment levels. As of December 31, 2023 and 2022, the targeted asset allocation was 45% equities and 55% fixed income based upon a funded status of greater than 80% based on fair value and the funding target liability on a full Internal Revenue Service (IRS) yield curve. The UWW Plan assets are managed by professional investment managers and are monitored by UWW's management, Finance Committee, and Investment and Pension Subcommittee.

Estimations of Future Activity

Expected amortization of the net actuarial gain during the year ended December 31, 2024 is $594.

The following benefit payments are expected to be paid as follows:

Year Ending December 31,	Amount
2024	$ 2,600
2025	2,380
2026	2,430
2027	2,480
2028	2,490
2029-2033	12,910
Total	$ 25,290

The UWW Plan is positioned to meet the minimum funding requirement as outlined in the Pension Protection Act of 2006. UWW continues to monitor the funded status of its defined benefit plan and to evaluate potential strategies that ensure the plan is managed in compliance with pension laws and regulations.

United Way Worldwide Non-Qualified Plans

The Non-Qualified Plans are described below by type of plan.

The 415 Replacement Plan is a non-qualified, noncontributory defined benefit pension plan established to restore the pension benefits lost under the qualified plan due to the limitations arising from Section 415 of the Tax Equity and Fiscal Responsibility Act of 1982.

The SERP is a non-qualified, noncontributory plan established in 2000. This plan was established to replace benefits in the qualified plan for participants affected by IRS salary limits, as well as benefit limits.

The 457(f) is a non-qualified, noncontributory plan established in 2018. The plan was established to limit the liability of the Organization relative to certain SERP participants by transferring the existing vested value in the SERP to a 457(f) plan where the assets are owned by the Organization, but investment of the assets is directed by the beneficiary. Future changes in liability are limited to realized and unrealized gains or losses on investment.

The following is a summary of the funded status of the Non-Qualified Plans as of December 31, 2023 and the key assumptions used by the actuary. The calculations are performed based on a measurement date of December 31, 2023 and 2022, respectively.

$ Amounts in Thousands

Obligations and Funded Status

	2023	2022
Projected benefit obligation	$ 37	$ 39
Funded status - underfunded	$ (37)	$ (39)
Unfunded pension liability	$ (37)	$ (39)

The Organization had a segregated account specifically for funding the SERP liability associated with one of the participants.

Under the terms of the 457(f), the Organization owns the assets of the funded account but management of the investment of this account is at the sole discretion of the participant whose liability it was intended to fund and the Organization's liability equals the account balance at all times.

Items not yet recognized as a component of net periodic pension cost as of December 31, 2023 and 2022 are as follows:

	December 31,	
	2023	2022
Net gain	$ 54	$ 57

Net Periodic Benefit Cost

Components of net periodic benefit cost recognized as expenses in the accompanying consolidated statements of activities for the year ended December 31, 2023 and 2022:

	2023	2022
Interest cost	$ 2	$ 1
Amortization of loss	(7)	(6)
Net periodic benefit cost	$ 5	$ 5

$ Amounts in Thousands

Assumptions

Weighted-average assumptions used to determine the benefit obligation and net periodic benefit cost are as follows:

	2023	2022
Benefit obligation		
Discount rate	4.85%	5.10%
Rate of compensation increase	N/A	N/A
Net periodic benefit cost		
Discount rate	5.10%	2.70%
Rate of compensation increase	N/A	N/A
Expected return on plan assets	N/A	N/A

Estimations of Future Activity

Expected amortization of the net actuarial gain during the year ending December 31, 2024 is $7.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as follows:

Year Ending December 31,	Amount
2024	$ 6
2025	5
2026	5
2027	5
2028	4
2029-2032	15
Total	$ 40

The Organization does not expect to make contributions to the Non-Qualified Plans in 2024.

United Way Worldwide Postretirement Benefit Plans

Health Care and Life Insurance Benefits

UWW provides health care and life insurance benefits to certain retired employees (Postretirement Benefit Plan). Employees become eligible for benefits in meeting certain age and service requirements. Spouses of eligible participants are also eligible if they meet certain requirements. The UWW's policy is to fund these benefits through premium reimbursements to participants. However, in conformity with FASB ASC Topic 715-60, *Employers' Accounting for Postretirement Benefits Other Than Pensions*, the cost of providing these benefits is to be accrued over the service period of the active employee group.

Certain employees retiring from UWW at or after attaining age 55 and with five years of credited service are entitled to postretirement life insurance and medical and dental benefit coverage. These benefits are subject to deductibles, co-payment provisions, and other limitations. This plan is frozen and not open to new participants.

UWW costs are frozen at 50% of the premium rate effective when the medical and dental plans were frozen; there are no future health care costs expected, beyond this rate.

$ Amounts in Thousands

Other Life Insurance Benefits

UWW provides a flat dollar amount of life insurance benefits to certain retired employees (Postretirement Benefit Plan) under the legacy Tri-State division. Employees become eligible for benefits by meeting certain age and service requirements. However, in conformity with FASB ASC Topic 715-60, and as amended by FASB ASC Topic 715-30, the cost of providing these benefits are to be accrued over the average remaining lifetime of the retiree group.

Certain employees retiring from legacy Tri-State on or after attaining age 55 and with five years of credited service are entitled to postretirement life insurance coverage. The life insurance amount is generally a flat $35 benefit with a few individuals entitled to slightly lesser amounts. This plan is frozen and not open to new participants. There are no plan assets associated with this obligation.

The following is a summary of the funded status of the Postretirement Plans as of December 31, 2023 and the key assumptions used by the actuary. The calculations are performed based on a measurement date of December 31, 2023 and 2022, respectively.

Obligations and Funded Status

	2023	2022
Accumulated benefit obligation	$ 840	$ 939
Funded status - underfunded	$ (840)	$ (939)
Unfunded postretirement benefit liability	$ 840	$ 939

Items not yet recognized as a component of net periodic postretirement benefit cost as of December 31, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
Net gain	$ 657	$ 775
Prior service cost	-	-
Total	$ 657	$ 775

Contributions and benefit payments made during the years ended December 31, 2023 and 2022 were as follows:

	2023	2022
Employer contributions	$ 175	$ 143
Benefits paid	(175)	(143)

$ Amounts in Thousands

Net Periodic Benefit Cost

Components of net periodic postretirement benefit cost recognized as expenses in the accompanying consolidated statement of activities for the years ended December 31, 2023 and 2022 were:

	2023	2022
Service cost	$ -	$ -
Interest cost	45	31
Net amortization		
Amortization of prior service cost	-	6
Amortization of net gain	(88)	(73)
Total	$ (43)	$ (36)

The discount rate applied for the years ending December 31, 2023 and 2022 were 5.1% and 2.7%, respectively.

Plan Assets

The Postretirement Plans are not funded. UWW makes contributions to the plans as benefit payments are made.

Estimations of Future Activity

Estimated amounts to be amortized during the year ending December 31, 2024:

	Amount
Prior service cost	$ 70

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as follows:

Year Ending December 31,	Amount
2024	$ 101
2025	98
2026	94
2027	90
2028	85
2028-2032	341
Total	$ 809

UWW does not expect to make contributions during 2024 to the Postretirement Plans.

$ Amounts in Thousands

UWW Make-Up Plan

UWW maintains an additional non-qualified benefit plan to provide employees with the benefits they are not eligible to receive under the qualified pension plan because of limits imposed by the Employee Retirement Income Security Act and the Internal Revenue Code (IRC). The projected benefit is estimated to be $156 and $160, which is accrued as of December 31, 2023 and 2022, respectively. Pension expense for these benefits amounted to $69 and $113 for the years ended December 31, 2023 and 2022, respectively.

Other Employee Benefit Plans

UWW 403(b) Plan

UWW offers a contributory defined contribution pension plan (IRC Section 403(b)), that provides for employer matching contributions of the employee contributions (3.0% to 5.0% of annual salary depending on years of service) plus an additional contribution of 1.0% to 3.0% depending on years of service for those employees covered under the frozen UWW Plan. UWW's contributions to this plan were $967 and $1,053 for the years ended December 31, 2023 and 2022, respectively.

UWW Deferred Compensation Plans

In 2005, UWW established a 457(b) eligible deferred compensation plan to provide make up benefits to highly compensated employees that would not otherwise receive their full employer match under the 403(b) plan. As of December 31, 2023 and 2022, the assets and matching liabilities of $209 and $251, respectively, for this plan are included in other assets and other liabilities in the consolidated statement of financial position. UWW did not contribute to this plan in 2023 or 2022.

NOTE 11 - NET ASSETS WITHOUT DONOR RESTRICTIONS

The Organization's net assets without donor restrictions is comprised of undesignated and board designated amounts for the following purposes at December 31:

	2023	2022
Undesignated	$ 24,357	$ 32,091
Board designated for Center on Aging	346	346
Board designated for Donor Advised Funds	4,159	5,903
Board designated for Quasi-Endowment	1,855	186
Total net assets without donor restrictions	$ 30,717	$ 38,526

Board Designated for Center on Aging

The amounts designated by the Board are to be used for the future cost of rental of office space for the Center on Aging, which is a specialized training and conference resource within the Mary Gates Learning Center.

Board Designated for Donor Advised Funds

International Donor Advised Giving (IDAG)

The International Donor Advised Giving (IDAG) program is a component of net assets without donor restrictions and was established by the Board. Companies, foundations and individuals contribute to IDAG to achieve their philanthropic goals outside of the United States. IDAG provides comprehensive grant-making services to ensure compliance with both U.S. and international laws and UWW retains variance power of all contributions to IDAG.

The Board maintains a policy that all IDAG contributions are to be set aside for use in satisfying program grants and other program service costs. Contributions to the IDAG program were $4,177 and $10,499 for the years ended December 31, 2023 and 2022, respectively.

Grants (including program service expenses) made to organizations outside the United States from the IDAG program were $5,920 and $12,359 for the years ended December 31, 2023 and 2022, respectively, which are included in the consolidated statement of activities.

The balance of unexpended IDAG funds decreased by ($1,744) and increased by $1,860 during the years ended December 31, 2023 and 2022, respectively.

Board Designated for Quasi-Endowment

UWW's Board has designated funds be set aside to establish and maintain a quasi-endowment for the purpose of securing UWW's long-term financial viability and continuing to meet the needs of UWW. The quasi-endowment funds totaled $1,855 and $186 at December 31, 2023 and 2022, respectively. The board released $3,000 from the fund and contributed $1,500 into the fund during the years ended December 31, 2023 and 2022, respectively

$ Amounts in Thousands

NOTE 12 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods as follows at December 31, 2023 and 2022:

	2023	2022
Net assets with donor restrictions		
Subject to expenditure for specified purpose or period		
Impact, strategy, and innovation	$ 4,030	$ 6,781
U.S. network	5,158	5,241
International network	3,085	3,779
Capacity building	1,407	2,511
Other program services	395	960
Total subject to expenditure for specified purpose or period	14,075	19,272
Endowments subject to the Organization's spending policy and appropriation		
Investment in perpetuity (original amount of $3,802), for which earnings are expendable to support		
Senior resource center	3,791	3,791
Any activities of the Organization	11	11
Accumulated, unappropriated earnings	622	98
Total endowments subject to the Organization's spending policy and appropriation	4,424	3,900
Total net assets with donor restrictions	$ 18,499	$ 23,172

NOTE 13 - NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors. The net assets released from restrictions are as follows at December 31, 2023 and 2022:

	2023	2022
Purpose or period restrictions accomplished		
Impact, strategy, and innovation	$ 3,560	$ 8,757
U.S. network	8,119	3,730
International network	1,151	5,932
Capacity building	1,104	1,698
Other program services	585	214
Net assets released from restrictions	$ 14,519	$ 20,331

$ Amounts in Thousands

NOTE 14 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's financial assets available within one year of the consolidated statements of financial position date for general expenditure at December 31, 2023 and 2022 are as follows:

	2023	2022
Cash and cash equivalents	$ 5,424	$ 7,448
Investments	21,425	28,221
Member United Way receivables, net	1,769	3,370
Contributions receivable, net	5,216	5,952
Accounts receivable, net	1,011	777
Total financial assets	34,845	45,768
Less		
Amounts unavailable for general expenditures within one year, due to		
Restricted by donors with purpose restrictions and time restrictions	(14,075)	(19,272)
Restricted by donors in perpetuity	(4,424)	(3,900)
Total amounts unavailable for general expenditures within one year	(18,499)	(23,172)
Amounts unavailable without Board's approval		
Board designated for Quasi-Endowment	(1,855)	(186)
Board designated for Center on Aging	(346)	(346)
Board designated for Donor Advised Funds	(4,159)	(5,903)
Total amounts unavailable without Board's approval	(6,360)	(6,435)
Total financial assets available for general expenditure within one year	$ 9,986	$ 16,161

Liquidity Management

The Organization maintains a policy of structuring 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 weekly requirements in short-term investments.

Additionally, the Organization has Board designated various net assets without donor restrictions that, while the Organization does not intend to spend these for purposes other than those identified, the amounts could be made available for current operations, if necessary.

NOTE 15 - ENDOWMENT FUNDS

The Organization's donor restricted endowment consists of two funds, one established for the purpose of providing home care and assisted living to the elderly poor, with specific reference to assisting older people to remain in their own homes, and the other established for the purpose of providing general operational support for the Organization. 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. The endowment funds also include funds without donor restrictions that have been designated by the Board to function as an endowment.

$ Amounts in Thousands

Endowment Net Asset Composition

The following table represents the composition of the Organization's endowment net assets by type of fund as of December 31, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Board designated for quasi-endowment fund	$ 1,855	$ -	$ 1,855
Donor restricted endowment funds			
Original donor restricted gift amount and amounts required to be maintained in perpetuity by donor	-	3,802	3,802
Accumulated, unappropriated earnings	-	622	622
Total endowment funds	$ 1,855	$ 4,424	$ 6,279

The following table represents the composition of the Organization's endowment net assets by type of fund as of December 31, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Board designated for quasi-endowment fund	$ 186	$ -	$ 186
Donor restricted endowment funds			
Original donor restricted gift amount and amounts required to be maintained in perpetuity by donor	-	3,802	3,802
Accumulated, unappropriated earnings	-	98	98
Total endowment funds	$ 186	$ 3,900	$ 4,086

Changes in Endowment Net Assets

The following table represents the changes in UWW's endowment funds during the year ended December 31, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 186	$ 3,900	$ 4,086
Contributions /additions	1,500	-	1,500
Investment return, net	169	676	845
Appropriations	-	(152)	(152)
Endowment net assets, end of year	$ 1,855	$ 4,424	$ 6,279

$ Amounts in Thousands

The following table represents the changes in UWW's endowment funds during the year ended December 31, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 215	$ 4,802	$ 5,018
Contributions /additions	-	-	-
Investment return, net	(29)	(750)	(779)
Appropriations	-	(152)	(152)
Endowment net assets, end of year	$ 186	$ 3,900	$ 4,086

NOTE 16 - DONATED SERVICES AND MATERIALS

The Organization recognizes contribution revenue for certain donated services and materials received at the fair value of those items. There were no such donations for the years ended December 31, 2023 and 2022.

UWW maintains relationships with certain partnering organizations on behalf of the member United Ways to place United Way advertisements in public media on a pro-bono basis. UWW underwrites the cost to produce these Public Service Announcements (PSAs) that promote education, financial stability, and healthy living that features individuals who are involved in various member United Way community volunteer activities. The partnering organizations coordinate acquisition of the media space (television and radio airtime, newspaper and magazine print space, billboards, etc.) throughout the year at no cost to UWW. The combined value of the donated media space was estimated to be $3,282 and $14,042 for the years ending December 31, 2023 and 2022, respectively.

UWW does not record the value of the donated media mentioned above because the donations are received on behalf of and for the benefit of the member United Ways. UWW records in-kind donations of media space for which it receives future economic benefit.

NOTE 17 - INCOME TAXES

UWW follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the financial statements if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

UWW is exempt from federal income tax under IRC Section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the IRC. UWW has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. UWW has determined that there are no material uncertain tax positions that require recognition or disclosure in the consolidated financial statements.

NOTE 18 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through June 20, 2024, which is the date the consolidated financial statements were available to be issued. Except the following, there were no events that require adjustments to or disclosure in the Organization's consolidated financial statements for the year ended December 31, 2023.

On April 1, 2024, the Power Forward Communities coalition was awarded a $2B grant from the Environmental Protection Agency's Greenhouse Grant Reduction Fund. UWW is a member with four other nonprofit organizations and will receive funds to implement energy saving programs across communities over a seven-year period. The allocations and operations of this program remain under negotiation with Power Forward Communities and the EPA.