Consolidated Financial Statements and Report of Independent Certified Public Accountants

United Way Worldwide and Subsidiaries

December 31, 2021

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 statement of financial position as of December 31, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated 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, 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion
We conducted our audit 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 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
October 11, 2022

United Way Worldwide and Subsidiaries

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2021

ASSETS		
Cash and cash equivalents	$	17,731,456
Custodial funds (Notes 3 and 4)		7,451,542
Member United Way receivables, net (Note 5)		5,726,657
Contributions receivable, net (Note 6)		12,903,127
Investments (Notes 2 and 4)		12,297,834
Property and equipment, net (Note 7)		23,144,683
Other assets (Note 8)		4,658,448
Total assets	$	83,913,747
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued liabilities	$	14,002,106
Custodial funds (Notes 3 and 4)		7,451,542
Deferred revenue		7,438,804
Pension benefits liability (Note 10)		4,437,681
Postretirement benefits liability (Note 10)		1,217,656
Equipment notes payable (Note 9)		351,751
Notes payable to United Way Members (Note 9)		2,220,000
Other liabilities		476,967
Total liabilities		37,596,507
Net assets		
Without donor restrictions (Note 11)		10,703,964
With donor restrictions (Notes 12 and 13)		35,613,276
Total net assets		46,317,240
Total liabilities and net assets	$	83,913,747

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, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues			
Public support and other revenues			
Membership support, net	$ 42,895,976	$ -	$ 42,895,976
Contributions	22,752,231	36,703,653	59,455,884
Paycheck Protection Program (PPP) loan forgiveness	5,050,841	-	5,050,841
Promotional material sales	207,246	-	207,246
Program service fees	3,597,235	-	3,597,235
Investment return, net	299,871	608,860	908,731
Conferences	627,335	-	627,335
Miscellaneous and other	1,363,499	-	1,363,499
Net assets released from restrictions			
Satisfaction of program restrictions (Note 13)	37,629,509	(37,629,509)	-
Total revenues	114,423,743	(316,996)	114,106,747
Expenses			
Program services			
Donor advised giving	11,785,418	-	11,785,418
Digital services	22,712,915	-	22,712,915
U.S. network	24,968,511	-	24,968,511
Brand strategy and marketing	5,210,445	-	5,210,445
International network	24,253,245	-	24,253,245
Investor relations	6,945,687	-	6,945,687
Other program services	4,041,812	-	4,041,812
Total program services	99,918,033	-	99,918,033
Supporting services			
General and administrative	9,707,834	-	9,707,834
Fundraising	2,005,786	-	2,005,786
Total supporting services	11,713,620	-	11,713,620
Total expenses	111,631,653	-	111,631,653
Operating gain (loss), before transfers	2,792,090	(316,996)	2,475,094
Board designated, appropriations and transfers to operations			
Board designated and transfers to operations	14,824,216	-	14,824,216
Operating gain (loss), after transfers	17,616,306	(316,996)	17,299,310
Non-operating items			
Pension-related changes other than net periodic pension cost	2,649,177	-	2,649,177
Gain on extinguishment of debt	2,180,000	-	2,180,000
Endowment/quasi-endowment appropriation	426	(426)	-
Board designated, appropriations and transfers to operations			
Board designated and transfers to operations	(14,824,216)	-	(14,824,216)
Total non-operating items and board designation	(9,994,613)	(426)	(9,995,039)
CHANGES IN NET ASSETS	7,621,693	(317,422)	7,304,271
Net assets, beginning of year - originally presented	24,851,630	49,852,724	74,704,354
Net assets adjusted for the change in reporting entity (Note 1)	(21,769,359)	(13,922,026)	(35,691,385)
Net assets, beginning of year - as adjusted	3,082,271	35,930,698	39,012,969
Net assets, end of year	$ 10,703,964	$ 35,613,276	$ 46,317,240

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, 2021

	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							
Donor advised giving	$ 254,359	$ 35,854	$ 942	$ 11,462,014	$ 24,027	$ 8,222	$ 11,785,418
Digital services	4,442,176	17,448,828	440,647	58,204	176,504	146,556	22,712,915
U.S. network	9,525,777	5,940,413	182,045	8,044,215	888,118	387,943	24,968,511
Brand strategy and marketing	3,690,107	1,048,566	114,530	3,720	172,632	180,890	5,210,445
International network	1,714,435	1,194,545	20,260	21,077,636	108,434	137,935	24,253,245
Investor relations	5,226,807	(4,868)	47,426	874,961	570,468	230,893	6,945,687
Other program services	2,679,103	675,238	343,812	2,835	202,889	137,935	4,041,812
Total program services	27,532,764	26,338,576	1,149,662	41,523,585	2,143,072	1,230,374	99,918,033
Supporting services							
General and administrative	3,773,904	5,315,308	109,138	9,319	336,367	163,798	9,707,834
Fundraising	1,704,241	64,502	22,446	1,345	147,735	65,517	2,005,786
Total supporting services	5,478,145	5,379,810	131,584	10,664	484,102	229,315	11,713,620
Total expenses	$ 33,010,909	$ 31,718,386	$ 1,281,246	$ 41,534,249	$ 2,627,174	$ 1,459,689	$ 111,631,653

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

United Way Worldwide and Subsidiaries

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended December 31, 2021

Cash flows from operating activities:	
Cash received from donors	$ 67,041,381
Cash received from Member United Ways	53,332,777
Cash received from customers	4,596,030
Cash received from sale of donated stocks	754,976
Interest and dividend received	179,403
Cash paid to vendors	(33,090,633)
Cash paid for payroll, employee benefits, taxes, and voluntary deductions	(34,795,034)
Grants paid	(13,083,632)
Cash paid to Member United Ways	(38,930,664)
Interest paid	(185,108)
Investment expenses paid	(27,671)
Cash paid for UpPurpose's operation	(2,221,197)
Net cash provided by operating activities	3,570,628
Cash flows from investing activities:	
Purchase of property and equipment	(102,607)
Proceeds from sale of investments	6,175,473
Purchase of investments	(3,373,976)
Net cash provided by investing activities	2,698,890
Cash flows from financing activities:	
Proceeds from the line of credit	1,500,000
Proceeds from PPP loans	33,972
Principal payments on equipment notes payable	(1,269,159)
Principal payment on promissory notes	(740,000)
Payment on finance lease	(52,916)
Net cash used in financing activities	(528,103)
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,741,415
Cash and cash equivalents, beginning of year	11,990,041
Cash and cash equivalents, end of year	$ 17,731,456
Supplemental disclosures:	
Cash paid during the year for interest	$ 185,108
Gain on extinguishment of debt	$ 2,180,000
PPP Loan forgiveness	$ 5,050,841

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Overview

For 135 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 2021, 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.

In March 2019, UWW formed UpPurpose, Inc. (UP), which is a wholly owned subsidiary of UWW incorporated in the United States with a goal of creating a proprietary software platform for digital donor engagement contact. UP is a for-profit, C corporation. At the end of 2021 UWW's board approved the winddown of UP and its dissolution to take place through 2022.

In January 2020, UWW entered into an affiliation agreement with the United Way Bay Area (UWBA), a separate 501(c)(3) based in the San Francisco Bay area for which UWW was the sole voting member. This affiliation agreement ended June 30, 2021, which resulted in a change in reporting entity for the Organization. As a result, the financial statements are adjusted to reflect the removal of the UWBA assets, liabilities and net assets. This change is shown on the statement of activities as a change to beginning net assets. Single year financial statements are presented to properly reflect the current and future operations of the Organization.

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 - UWW

In 1983, a national board was convened to oversee distribution of funds through the Emergency Food and Shelter Program (EFSP), a separate Congressionally authorized program of Department of Homeland Security's Federal Emergency Management Agency (FEMA), and UWW was appointed fiscal agent. As 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 $5.6 billion to FEMA to provide emergency food and shelter to needy individuals throughout the country. UWW charged certain administrative expenses to EFSP totaling $321,456 for the year ended December 31, 2021. As of December 31, 2021, an undistributed balance of $4,604,653, was included in the custodial funds with a corresponding liability in the accompanying consolidated statement 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, 2021 amounts to $158,917.

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. The net present value of the liability for future annuity payments is $250,444 at December 31, 2021. UWW accrues no liability beyond the assets of the funds. The fair value of the CGA pool is $287,239, including $86,311 of loss reserve (required by the state of New York), at December 31, 2021.

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, 2021, the fund's fair value of $2,400,733, is included in custodial funds.

As of December 31, 2021, UWW's custodial funds totaled $7,451,542, 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, Salesforce Philanthropy Cloud user licenses, registration fees for conferences 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 2021. 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.

Investment in the wholly owned C corporation UP is not reflected in investments but rather consolidated into the organization's assets, liabilities, revenues, and expenses.

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	3 - 15 years
Capitalization threshold	$2,500

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.

UWW has artwork valued at $256,450 that is not considered to be a collection. The artwork is included in property and equipment in the consolidated statement of financial position. The artwork was appraised in 1994 and is recorded at the appraisal value. The artwork is not depreciated in accordance with U.S. GAAP.

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 revenue consists of registration and underwriting fees for training programs and conferences, advance payment of membership dues, as well as deferred service revenue from members participating in the digital services operating group. The Organization recognizes training programs and conference revenues upon the program/conference's completion. Unexpended training program, conference, and service revenues at year end are deferred and recognized when the related expenditures occur. During 2021, some members paid a portion of their dues in advance. Additionally, the organization received payments for services provided to donors and members in advance of providing these services. Deferred revenue at December 31, 2021 consists of:

Training credits	$ 5,330,540
Membership dues	993,688
Other	1,114,576
Total deferred revenue	$ 7,438,804

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.

Contribution Revenue

The Organization recognizes contributions received and made, including unconditional promises to give, as revenue in the period received or made. Contributions received are reported as either revenues without donor restrictions or revenues with donor restrictions. Promises to contribute that stipulate conditions to be met before the contribution is made are not recorded until the conditions are met. The Organization had $331,000 in unrecognized conditional contributions as of December 31, 2021. The contributions are conditioned upon the raising of matching funds within a specified time period.

Donated Services and Materials

A substantial number of volunteers have donated significant amounts of time to the Organization's program services and to its fund-raising campaigns. No amounts have been recognized in the consolidated statements of activities since time contributed by Organization volunteers does not meet the criteria established by U.S. GAAP. The Organization records donated professional services, which meet criteria established by U.S. GAAP, at the fair value of the services received.

Donated materials, including postage, are recorded at fair value at the date of donation.

Intermediate Measure of Operations

The Organization has presented the consolidated statements of activities based on an intermediate measure of operations. The operating surplus after transfers in the consolidated statement of activities, includes all revenues and expenses that are an integral part of the Organization's programs and supporting activities, net assets released from restrictions to support operating expenditures, and transfers from/to Board designated and other non-operating funds to support current operating activities or set aside to support future operating activities.

The Board-designated appropriations and transfers to operations consist of the following at December 31, 2021:

Board designated to operations	
Board designated for Center on Aging	$ 8,027
Board designated for Operating Initiatives	15,995,378
Board designated for Donor Advised Funds	(1,179,189)
Total board-designated and transfers to operations	$ 14,824,216

The measure of operations includes support for operating activities from both net assets with donor restrictions and net assets without donor restrictions designated for long-term investment (e.g., the donor-restricted and quasi-endowments) according to UWW's spending policy. The measure excludes pension-related changes other than net periodic pension cost, the impairment loss on a foreign partnership investment, and endowment/quasi-endowment investment returns.

Because the Board approved financial plan for the periods represented calls for no surplus or deficit on this line, a surplus represents results from operations for the period that were above plan, and a deficit represents results below plan.

Functional Allocation of Expenses

The consolidated statement of functional expenses present 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 (a purpose restriction) 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 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 the 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. Effective January 1, 2018, the Board adopted a new spending policy that requires them to conduct 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 law.

At December 31, 2021, there were no funds with deficiencies.

	December 31, 2021
Fair value of endowments	$ 4,802,021
Original endowment gift amount	(3,801,730)
Surplus of endowment funds	$ 1,000,291

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, 2021, UWW held $16,694,013 in uninsured cash and cash equivalents. 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 February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (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 statements of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statements of activities. The new standard is effective for the Organization for the year ending December 31, 2022. 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. The Organization has evaluated the anticipated effect the provisions of ASU 2016-02 will have on the consolidated financial statements and expects no material restatement to be required when the standard is adopted.

NOTE 2 - INVESTMENTS

Investments, at fair value, consist of the following at December 31, 2021:

Corporate bonds	$ 1,103,260
Equity securities	9,011,602
U.S. government agency notes	296,437
U.S. Treasury notes	409,962
Bond funds	1,476,573
Total	$ 12,297,834

NOTE 3 - CUSTODIAL FUNDS

Custodial funds, at fair value, consist of the following at December 31, 2021:

Cash equivalents	$ 7,005,386
Equity securities	65,598
U.S. Treasury notes	10,287
Common collective trusts	370,271
Total	$ 7,451,542

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, 2021 is as follows:

	Level 1	Level 2	Level 3	Total
Investments				
Corporate bonds				
Domestic	$ 1,103,260	$ -	$ -	$ 1,103,260
Equity securities				
Domestic	2,413,835	-	-	2,413,835
International	881,079	-	-	881,079
Emerging markets	328,931	-	-	328,931
U.S. government agency notes	296,437	-	-	296,437
U.S. Treasury notes	409,962	-	-	409,962
Bond funds	1,476,572	-	-	1,476,572
Total investments	$ 6,910,076	$ -	$ -	$ 6,190,076
Custodial funds				
Cash equivalents	$ 7,005,386	$ -	$ -	$ 7,005,386
Equity securities - domestic	65,598	-	-	65,598
U.S. Treasury notes	10,287	-	-	10,287
Common collective trusts	-	370,271	-	370,271
Total custodial funds	$ 7,081,271	$ 370,271	$ -	$ 7,451,542

Level 2 Valuation Process - Collective Common Trusts

The fund seeks to achieve its investment objective by investing substantially all of its assets in a “master fund” that uses a passive management strategy designed to track the performance of the S&P 500.

The portfolio is managed according to a “passive” or “indexing” investment approach, attempting to replicate the investment performance of the S&P 500 Index, before expenses.

The value of individual instruments held by the fund generally are valued at:

- Market value (generally determined at the closing time of the market on which they are traded);
- Fair value (when market quotations are not readily available or subsequent events suggest the market quotation no longer is reliable); and
- Amortized cost (for debt securities maturing within 60 days).

Additionally, the Organization’s investment advisor performs on-going due diligence of the funds, which includes benchmarking and comparing the results of the fund to certain indexes. The Organization’s investment advisor meets periodically with the Organization’s Investment and Pension Committee and reports the performance of the fund.

There were no changes in valuation techniques noted for the common collective trusts for 2021.

Non-Recurring Fair Value Measurements

Level 3 Valuation Process - Foreign Limited Partnerships

The partnership, valued at $5,387,758 at December 31, 2021, seeks to achieve its investment objective by investing substantially all of its assets in a start-up "dot com" company and holding that investment until the initial public offering.

In as much as 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, adjusted annually for possible impairment. Impairment is measured based the value of individual stock instruments held by the partnership, which are valued as follows:

- EV/LTM revenue multiples for similar companies are compiled using data from CAP IQ as an independent source;
- The median resulting multiple is then applied to start-up "dot com" revenue to arrive at the enterprise value; and
- A liquidation waterfall is developed to allocate the enterprise value across the various categories of stock issued by the start-up "dot com."

NOTE 5 - MEMBER UNITED WAY RECEIVABLES

Member United Way receivables consist of the following at December 31, 2021:

Member United Way receivables	$ 9,123,632
Allowance for doubtful accounts	(3,396,975)
	$ 5,726,657

Bad debt expense related to member United Way receivables totaled $2,714,043 for the year ended December 31, 2021.

NOTE 6 - CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following unconditional promises to give at December 31, 2021:

Amounts due in:	
Less than one year	$ 8,848,295
One or more years	6,323,357
Total contributions receivable	15,171,652
Less: discount	(1,988,091)
Less: allowance for uncollectible pledges	(280,434)
	$ 12,903,127

Bad debt expense related to contributions receivable totaled $69,446 for the year ended December 31, 2021.

NOTE 7 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2021:

Land	$ 2,102,080
Building and building improvements	41,560,870
Furniture, artwork, equipment, auto and software	13,378,413
	57,041,363
Less: accumulated depreciation and amortization	(33,896,680)
	$ 23,144,683

NOTE 8 - OTHER ASSETS

Other assets consist of the following at December 31, 2021:

Accounts receivable, net of allowance for doubtful accounts of $10,575	$ 984,654
Prepaid expenses and deposits	2,448,801
Life insurance contracts and deferred compensation plan assets	1,224,993
	$ 4,658,448

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 new credit agreement is $5 million with commitment termination date of August 2022 and bears interest on (i) each base rate loan at the base rate plus the applicable margin in effect and (ii) each Eurodollar loan at the adjusted LIBOR rate. The interest rate on the line of credit with HSBC Bank USA was LIBOR plus 2%. The HSBC LOC was extended during August 2022 through November 30, 2022 and will be reviewed for a further extension upon receipt of UWW's audited financial statements. See Note 21.

There was borrowing under the lines of credit of $5,000,000 for UWW at December 31, 2021. The Organization incurred $72,240 interest expense on the lines of credit for the year ended December 31, 2021. The Organization was in compliance with all debt covenants as of December 31, 2021.

In 2015, UWW entered into an equipment financing agreement with Bank of America related to the renovation of UWW headquarters building that resulted in three notes payable secured by office furniture and equipment. The following is a summary of the notes payable as of December 31, 2021:

	Equipment Notes Payable			
	No. 001	No. 002	No. 003	Total
Original value	$ 3,000,000	$ 4,010,521	$ 1,000,000	$ 8,010,521
Issuance date	January 5, 2015	April 2, 2015	June 11, 2015	
Maturity date	January 8, 2022	April 8, 2022	July 8, 2022	
Purpose	Partially fund the cost of new furniture and equipment related to the renovation of the Organization's office building in Alexandria, Virginia.			
Repayment terms	84 monthly installment payments commencing February 8, 2015	84 monthly installment payments commencing May 8, 2015	84 monthly installment payments commencing August 8, 2015	

	Equipment Notes Payable			
Amount Outstanding	No. 001	No. 002	No. 003	Total
December 31, 2021				
Current	$ 40,748	$ 216,842	$ 94,161	$ 351,751
Total	$ 40,748	$ 216,842	$ 94,161	$ 351,751
Interest basis	3.9% fixed	3.9% fixed	3.9% fixed	

Interest paid on all of the above loans totaled $40,793 for the year ended December 31, 2021.

The aggregate amount remaining of $351,751 will be paid during 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 $3,360,000. The promissory notes are unsecured and carry an interest rate of 2.72%. The aggregate amount of maturities for these long-term borrowings is as follows:

Year Ending December 31,	Amount
2022	$ 1,480,000
2023	740,000
Total	$ 2,220,000

Interest paid on the above loans totaled $67,093 for the year ended December 31, 2021.

Paycheck Protection Program (PPP) Loans

In April 2020, the Organization received loans in the total amount of $5,050,841 pursuant to the PPP under the Coronavirus Aid, Relief, and Economic Security Act and subsequent amendments. PPP funds are a form of low interest loans where some or all of the principal and interest may be eligible for forgiveness, based on the timing and use of funds in accordance with PPP guidelines. On July 31, 2021, the Small Business Association (SBA) processed the forgiveness of UWW's PPP loan, therefore, legally releasing UWW from the debt and the loan forgiveness has been recorded as an operating revenue from the extinguishment of debt for the year ended December 31, 2021.

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty, however, management is of the opinion that any review will not have an adverse effect on UWW's financial position.

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, 2021:

UWW Plan	$ 4,118,233
Non-Qualified Plans	46,193
UWW Make-up Plan	273,255
Total recognized liability	$ 4,437,681

The following table presents a reconciliation of the components of United Way Worldwide of the postretirement benefit plans to the presentation in the consolidated financial statements at December 31, 2021:

Postretirement benefit plans	$ 1,217,656

The following table presents a reconciliation of the change in United Way Worldwide's unrecognized (loss) gain recognized apart from expenses in the consolidated financial statements at December 31, 2021:

UWW Plan	$ 2,503,809
Non-Qualified Plans	4,871
Postretirement Plans	140,497
Total change in unrecognized gain (loss) recognized apart from expenses	$ 2,649,177

Pension Plan of United Way Worldwide

The UWW Plan (UWW Plan) is a qualified, noncontributory defined benefit pension plan, which includes UW Store and eWay, 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, 2021, 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, 2021 and the key assumptions used by the UWW Plan's actuary. The calculations are performed based on measurement date of December 31, 2021.

Obligations and Funded Status

Accumulated benefit obligation	$ 46,347,495
Projected benefit obligation	46,347,495
Fair value of plan assets	42,229,262
Funded status - underfunded	$ (4,118,233)
Unfunded pension liability	$ 4,118,233

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

Gain due to asset return	$ 533,764
Gain (loss) due to change in discount rate and other assumptions	1,900,920
Gain (loss) due to participant experience	69,125
Total	$ 2,503,809

UWW paid $2,228,784 in pension benefits during 2021. UWW did not contribute to the defined benefit plan in 2021.

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, 2021:

Interest cost	$ 1,135,653
Expected return on assets	(1,878,976)
Amortization of loss	853,186
	$ 109,863

Assumptions

Weighted-average assumptions used to determine the benefit obligation and net periodic pension benefit cost at December 31, 2021 are as follows:

Benefit obligation:	
Discount rate	2.70%
Rate of compensation increase	N/A
Net periodic benefit cost:	
Discount rate	2.35%
Rate of compensation increase	N/A
Expected return on plan assets	5.10%

Plan Assets

The fair value of plan assets by asset class as of December 31, 2021 were:

Pooled separate accounts - bond funds	$ 29,287,434
Pooled separate accounts - equity securities	12,941,828
Total	$ 42,229,262

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, 2021. The unit values are based upon the fair values of underlying investments as determined periodically by the UWW Plan trustee.

The UWW Plan assets are diversified to minimize risk and maximize returns. In 2012, UWW adopted a Dynamic Asset Allocation strategy. Asset allocations will change in accordance with funded attainment levels. As of December 31, 2021, 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, 2022 is $534,207.

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

Year Ending December 31,	Amount
2022	$ 2,290,000
2023	2,180,000
2024	2,260,000
2025	2,370,000
2026	2,400,000
2027-2030	12,680,000
Total	$ 24,170,000

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, 2021 and the key assumptions used by the actuary. The calculations are performed based on a measurement date of December 31, 2021 for the year ended December 31, 2021.

Obligations and Funded Status

Projected benefit obligation	$ 46,193
Funded status - underfunded	$ (46,193)
Unfunded pension liability	$ 49,958

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. During 2021, there was a reduction of workforce across UWW and the balance of the account was disbursed.

Items not yet recognized as a component of net periodic pension cost as of December 31, 2021 are as follows:

Gain due to change in discount rate and other assumptions (including mortality assumption)	$ 686
Gain due to participant experience	4,185
Total	$ 4,871

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, 2021 were:

Interest cost	$ 1,106
Amortization of loss	(5,953)
Net periodic benefit cost	$ (4,847)

Assumptions

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

Benefit obligation:	
Discount rate	2.70%
Rate of compensation increase	N/A
Net periodic benefit cost:	
Discount rate	2.35%
Rate of compensation increase	N/A
Expected return on plan assets	N/A

Estimations of Future Activity

Expected amortization of the net actuarial gain during the year ending December 31, 2022 is $6,236.

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

Year Ending December 31,	Amount
2022	$ 5,700
2023	5,500
2024	5,200
2025	4,900
2026	4,600
2027-2030	17,000
Total	$ 42,900

The Organization does not expect to make contributions to the Non-Qualified Plans in 2022.

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.

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 $35,000 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, 2021 and the key assumptions used by the actuary. The calculations are performed based on a measurement date of December 31, 2021.

Obligations and Funded Status

Accumulated benefit obligation	$ 1,217,656
Funded status - underfunded	$ (1,217,656)
Unfunded pension liability	$ 1,217,656

Items not yet recognized as a component of net periodic pension cost as of December 31, 2021 are as follows:

(Loss) due to change in discount rate and other assumptions (including mortality assumption)	$ (31,864)
(Loss) due to participant experience	(108,590)
Total	$ (140,454)

Contributions and benefit payments made during the year ended December 31, 2021 were as follows:

Employer contributions	$	96,887
Benefits paid	$	(96,887)

Net Periodic Benefit Cost

Components of net periodic postretirement benefit cost recognized as expenses in the accompanying consolidated statement of activities for the year ended December 31 2021 were:

Service cost	$	1,938
Interest cost		32,009
Net amortization		
Amortization of prior service cost		16,840
Amortization of net gain		(56,288)
Total	$	(5,501)

Assumptions

Measurement date	December 31, 2021
Discount rate	2.35%

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, 2022:

		Amount
Prior service cost	$	6,407
Net actuarial gain	$	(74,069)

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

Year Ending December 31,		Amount
2022	$	113,000
2023		112,000
2024		111,000
2025		108,000
2026		103,000
2027-2030		440,000
Total	$	987,000

UWW does not expect to make contributions during 2022 to the Postretirement Plans.

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 $273,255, which is accrued as of December 31, 2021. Pension expense for these benefits amounted to $18,648 for the year ended December 31, 2021.

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 $1,533,709 for the year ended December 31, 2021.

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, 2021, the assets of $435,384 for this plan are included in other assets in the consolidated statement of financial position. The assets are invested in cash and cash equivalents. The matching liabilities as of December 31, 2021 of $435,384 for this plan are reflected in other liabilities in the consolidated statements of financial position. UWW did not contribute to this plan in 2021.

UWW has a deferred compensation agreement for certain legacy Tri-State employees for the payment of a flexible premium annuity over the beneficiary's life with any remaining benefits to be distributed to the beneficiary's estate. As of December 31, 2021, the assets of $34,591 for this plan are included in other assets in the consolidated statement of financial position. The assets are invested in cash and cash equivalents. The fair value of the insurance policy was $114,830 for the year ended December 31, 2021.

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, 2021:

Undesignated	$ 2,092,996
Board designated for Center on Aging	354,421
Board designated for Donor Advised Funds	7,762,422
Board designated for Quasi-Endowment	494,125
Total net assets without donor restrictions	$ 10,703,964

Board Designated for Center on Aging

During 2010, UWW received a contribution from a trust, a portion of which was for the creation of a Center on Aging Adults, as a specialized training and conference resource within the Mary Gates Learning Center. The remaining contribution was put in a permanent endowment 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, as directed by the donor. During 2015, the donor's legal representative authorized UWW to utilize $409,000 from the accumulated net investment income of the endowment, to provide additional resources for the Center on Aging. The Board designated the use of the funds for the future cost of rental of office space for the Center on Aging staff based on a long-term rental agreement.

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 $12,210,633 for the year ended December 31, 2021.

Grants (including program service expenses) made to organizations outside the United States from the IDAG program were $11,031,474 for the year ended December 31, 2021, which are included in the consolidated statement of activities.

The balance of unexpended IDAG funds increased by $1,179,189 during the year ended December 31, 2021.

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 $494,125 at December 31, 2021, and generated $1,112,825 of additional contributions and earnings for the year ended December 31, 2021. During 2021 UWW's Board released $3,591,200 from the quasi-endowment to operation.

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, 2021:

Net assets with donor restrictions	
Subject to expenditure for specified purpose or period:	
Impact, strategy, and innovation	$ 10,041,780
U.S. network	10,147,212
International network	4,065,504
Investor relations	5,973,971
Other program services	582,788
Total subject to expenditure for specified purpose or period	30,811,255
Endowments subject to the Organization’s spending policy and appropriation	
Investment in perpetuity (original amount of $3,801,730), for which earnings are expendable to support:	
Senior resource center	3,791,087
Any activities of the Organization	10,643
Accumulated, unappropriated earnings	1,000,291
Total endowments subject to the Organization’s spending policy and appropriation	4,802,021
Total net assets with donor restrictions	$ 35,613,276

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, 2021:

Purpose or period restrictions accomplished:	
Impact, strategy, and innovation	$ 5,293,065
U.S. network	10,929,859
International network	19,475,611
Investor relations	1,401,920
Other program services	529,054
Net assets released from restrictions	$ 37,629,509

NOTE 14 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's financial assets available within one year of the consolidated statement of financial position date for general expenditure at December 31, 2021 are as follows:

Cash and cash equivalents	$ 17,731,456
Investments - other	6,910,076
Investments - unliquidated donated stocks	5,387,758
Member United Way receivables, net	5,726,657
Contributions receivable, net	12,903,127
Accounts receivable, net	984,654
Total financial assets	49,643,728
Less:	
Amounts unavailable for general expenditures within one year, due to:	
Restricted by donors with purpose restrictions	(30,811,255)
Restricted by donors in perpetuity	(4,802,021)
Total amounts unavailable for general expenditures within one year	(35,613,276)
Amounts unavailable without Board's approval:	
Board designated for Quasi-Endowment	(491,125)
Board designated for Center on Aging	(354,421)
Board designated for Donor Advised Funds	(7,762,422)
Total amounts unavailable without Board's approval	(8,607,968)
Total financial assets available for general expenditure within one year	$ 5,422,484

Unliquidated Donated Stocks

In May 2018, UWW received a large gift consisting of an interest in a foreign limited partnership. The Board approved at that time a policy whereby gifts on non-readily marketable stocks and other business ownership interests may be held by the Organization until such time as staff are able to execute a suitable liquidation plan. At December 31, 2021, no portion of the Organization's ownership interest in the foreign limited partnership had been liquidated. This investment is carried at cost and annually valued for impairment based on valuation methods typical for this type of investment (see Note 4). There was no impairment loss on investment at December 31, 2021.

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.

To help manage unanticipated liquidity needs, the Organization has a committed line of credit of $5,000,000, which management may draw upon at its discretion (see Note 9).

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.

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, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Board designated for quasi-endowment fund	$ 3,644,169	$ -	$ 3,644,169
Donor restricted endowment funds:			
Original donor restricted gift amount and amounts required to be maintained in perpetuity by donor	-	3,801,730	3,801,730
Accumulated, unappropriated earnings or (released by board)	(3,150,044)	1,000,291	(2,149,753)
Total endowment funds	$ 494,125	$ 4,802,021	$ 5,296,146

Changes in Endowment Net Assets

The following table represents the changes in UWW's endowment funds during the year ended December 31, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 2,972,500	$ 4,477,848	$ 7,450,348
Contributions	897,418	-	897,418
Investment return, net	215,407	467,033	682,440
Appropriations	(3,591,200)	(142,860)	(3,734,060)
Endowment net assets, end of year	$ 494,125	$ 4,802,021	$ 5,296,146

NOTE 16 - COMMITMENTS AND CONTINGENCIES

Operating Leases

UWW has entered into operating lease arrangements for office space and office equipment necessary to the operations. Office space rentals include leases for its regional offices and local document storage in Alexandria, Virginia.

Rent expense for the year ended December 31, 2021 was $26,213.

Agreement between UWW and Salesforce.org

During August 2017, UWW entered into a design partner and reseller agreement with Salesforce.org in order to form a strategic alliance centered on the design and deployment of Salesforce Philanthropy Cloud, a Corporate Social Responsibility technology platform and Employee Engagement Application (collectively, the CSR Package) each developed by Salesforce.org. In September 2021, UWW and Salesforce.org entered into an amendment to the parties' agreement which restructured the arrangements as between and among UWW, Salesforce.org, and Local United Ways who were resellers of the CSR Package. The amendment reduced UWW's payment obligations for the prepaid subscriptions to one payment of $2.9 million which was paid during 2021, and one payment for $2.9 million which was paid in 2022. The arrangement as between UWW and Salesforce.org will end in June of 2023. The 2021 renegotiated arrangements with Salesforce.org resulted in a gain on the extinguishment of debt of $2,180,000 during 2021.

NOTE 17 - 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 year ended December 31, 2021.

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 $16,027,813 for 2021.

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 the future economic benefit.

NOTE 18 - 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 financial statements.

NOTE 19 - RISKS AND UNCERTAINTIES

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States. The spread of COVID-19 has caused significant volatility in U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies and, as such, the Organization is unable to determine if it will have a material impact to its operations.

NOTE 20 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through October 11, 2022, which is the date the consolidated financial statements were available to be issued. There were no events that require adjustments to or disclosure in the Organization’s consolidated financial statements for the year ended December 31, 2021, except as noted below.

Gift

During March of 2022 UWW received an unrestricted gift of $25,000,000 from a donor. This gift is not included in the liquidity analysis above as the gift was received after December 31, 2021.

Line of Credit Renewal

In August 2020, UWW entered into a line of credit agreement with HSBC Bank USA, N.A. (HSBC LOC). The maximum capacity of the credit agreement is $5 million with a commitment termination date of August 2022 and bears interest on (i) each base rate loan at the base rate plus the applicable margin in effect and (ii) each Eurodollar loan at the adjusted LIBOR rate. The interest rate on the line of credit with HSBC Bank USA was LIBOR plus 2%. The HSBC LOC was extended during August 2022 through November 30, 2022 and will be reviewed for a further extension upon receipt of UWW’s audited financial statements. See Note 9.

Membership Revenue

At a joint meeting of the UWW Board of Trustees and the USA National Board on February 18, 2022, the Boards approved an amendment to UWW’s Bylaws to give UWW U.S. Members the right to vote on changes to their dues and referred the amendment and two U.S. dues options for 2022 dues to the Members for a vote. At a Special Meeting of the Members held on April 13, 2022, the UWW Members approved the Bylaws amendment, and the U.S. Members approved a dues formula for their 2022 dues. The 2022 dues formula provides for U.S. Members to pay 2022 dues at a rate of 1.5% of their combined dues basis for 2021 and 2022 through June 30, 2022 and at a rate of 1% from July 1, 2022 until December 31, 2022 and the effectiveness of a change in the dues model for 2023 or beyond, less any dues payments by the U.S. Members during 2021.