Consolidated Financial Statements and Report of Independent Certified Public Accountants

United Way Worldwide and Subsidiaries

December 31, 2020 and 2019

Contents

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees
United Way Worldwide and Subsidiaries

We have audited the accompanying consolidated financial statements of United Way Worldwide and subsidiaries ("the Organization"), which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

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

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

GrantThornton

Opinion
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of United Way Worldwide and subsidiaries as of December 31, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other matters

Supplementary information
Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position and consolidating statement of activities for the year ended December 31, 2020 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Grant Thornton LLP

Arlington, Virginia
October 8, 2021

United Way Worldwide and Subsidiaries

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31,

	2020	2019
ASSETS		
Cash and cash equivalents	$ 36,842,382	$ 11,699,479
Custodial funds (Notes 3 and 4)	6,775,399	5,593,864
Member United Way receivables, net (Note 5)	10,253,249	4,488,191
Contributions receivable, net (Note 6)	18,728,711	5,456,946
Investments (Notes 2 and 4)	32,277,778	21,602,230
Property and equipment, net (Note 7)	24,706,381	26,078,276
Other assets (Note 8)	4,285,937	4,808,911
Total assets	$ 133,869,837	$ 79,727,897
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued liabilities	$ 19,311,851	$ 14,108,700
Custodial funds (Notes 3 and 4)	6,775,399	5,593,864
Deferred revenue	4,406,149	3,680,868
Pension benefits liability (Note 10)	13,672,617	6,367,798
Postretirement benefits liability (Note 10)	3,745,640	3,545,169
Equipment notes payable (Note 9)	1,620,908	2,841,479
Notes payable to United Way Members	2,800,001	3,360,000
Paycheck Protection Program loans	6,249,965	-
Other liabilities	582,953	531,689
Total liabilities	59,165,483	40,029,567
Net assets		
Without donor restrictions (Note 11)	24,851,630	17,076,471
With donor restrictions (Notes 12 and 13)	49,852,724	22,621,859
Total net assets	74,704,354	39,698,330
Total liabilities and net assets	$ 133,869,837	$ 79,727,897

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, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues			
Public support and other revenues			
Membership support, net	$ 35,238,245	$ -	$ 35,238,245
Contributions	147,647,606	100,094,085	247,741,691
Promotional material sales	164,017	-	164,017
Program service fees	16,614,099	35,357	16,649,456
Investment return, net (Note 2)	1,140,184	1,121,461	2,261,645
Conferences	179,405	-	179,405
Miscellaneous and other	1,721,242	-	1,721,242
Net assets released from restrictions			
Satisfaction of program restrictions (Note 13)	83,520,775	(83,520,775)	-
Total revenues	286,225,573	17,730,128	303,955,701
Expenses			
Program services			
Donor advised giving	110,128,410	-	110,128,410
Impact, strategy and innovation	-	-	-
Digital services	24,450,595	-	24,450,595
U.S. network	76,696,690	-	76,696,690
Brand strategy and marketing	6,443,664	-	6,443,664
International network	20,092,912	-	20,092,912
Investor relations	7,595,078	-	7,595,078
Other program services	4,123,188	-	4,123,188
Total program services	249,530,537	-	249,530,537
Supporting services			
General and administrative	18,498,574	-	18,498,574
Fundraising	5,382,096	-	5,382,096
Total supporting services	23,880,670	-	23,880,670
Total expenses	273,411,207	-	273,411,207
Operating gain, before transfers	12,814,366	17,730,128	30,544,494
Board designation, appropriations and transfers to operations			
Board designated and transfers to operations	19,031,059	-	19,031,059
Operating gain, after transfers	31,845,425	17,730,128	49,575,553
Non-operating items			
Contribution from affiliate	2,898,244	9,513,179	12,411,423
Pension-related changes other than net periodic pension cost	(4,341,520)	-	(4,341,520)
Endowment/quasi-endowment investment returns	(3,596,357)	(12,016)	(3,608,373)
Endowment/quasi-endowment appropriation	426	(426)	-
Board designation, appropriations and transfers to operations			
Board designated and transfers to operations	(19,031,059)	-	(19,031,059)
Total non-operating items and Board designation	(24,070,266)	9,500,737	(14,569,529)
CHANGES IN NET ASSETS	7,775,159	27,230,865	35,006,024
Net assets, beginning of year	17,076,471	22,621,859	39,698,330
Net assets, end of year	$ 24,851,630	$ 49,852,724	$ 74,704,354

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, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues			
Public support and other revenues			
Membership support, net	$ 29,132,357	$ -	$ 29,132,357
Contributions	176,383,836	18,926,247	195,310,083
Promotional material sales	335,026	-	335,026
Program service fees	19,624,573	293,559	19,918,132
Investment return, net (Note 2)	1,239,046	814,665	2,053,711
Conferences	2,323,571	-	2,323,571
Miscellaneous and other	1,608,919	-	1,608,919
Net assets released from restrictions			
Satisfaction of program restrictions (Note 13)	11,894,044	(11,894,044)	-
Total revenues	242,541,372	8,140,427	250,681,799
Expenses			
Program services			
Donor advised giving	168,328,820	-	168,328,820
Impact, strategy and innovation	1,660,557	-	1,660,557
Digital services	28,083,476	-	28,083,476
U.S. network	19,360,093	-	19,360,093
Brand strategy and marketing	8,492,160	-	8,492,160
International network	6,306,089	-	6,306,089
Investor relations	6,733,454	-	6,733,454
Other program services	5,462,443	-	5,462,443
Total program services	244,427,092	-	244,427,092
Supporting services			
General and administrative	7,759,975	-	7,759,975
Fundraising	4,503,808	-	4,503,808
Total supporting services	12,263,783	-	12,263,783
Total expenses	256,690,875	-	256,690,875
Operating gain (loss), before transfers	(14,149,503)	8,140,427	(6,009,076)
Board designation, appropriations and transfers to operations			
Board designated and transfers to operations	3,939,150	-	3,939,150
Operating gain (loss), after transfers	(10,210,353)	8,140,427	(2,069,926)
Non-operating items			
Pension-related changes other than net periodic pension cost	1,089,626	-	1,089,626
Endowment/quasi-endowment investment returns	(5,990,124)	(11,612)	(6,001,736)
Endowment/quasi-endowment appropriation	257	(257)	-
Board designation, appropriations and transfers to operations			
Board designated and transfers to operations	(3,939,150)	-	(3,939,150)
Total non-operating items and Board designation	(8,839,391)	(11,869)	(8,851,260)
CHANGES IN NET ASSETS	(19,049,744)	8,128,558	(10,921,186)
Net assets, beginning of year	36,126,215	14,493,301	50,619,516
Net assets, end of year	$ 17,076,471	$ 22,621,859	$ 39,698,330

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, 2020

	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	$ 347,157	$ (782)	$ 3,383	$ 109,714,634	$ 42,437	$ 21,581	$ 110,128,410
Impact, strategy and innovation	-	-	-	-	-	-	-
Digital services	5,575,257	17,207,928	1,178,320	54,025	216,484	218,581	24,450,595
U.S. network	11,642,784	10,739,950	1,455,070	50,885,694	1,522,445	450,747	76,696,690
Brand strategy and marketing	4,296,872	1,495,318	86,162	129,119	212,494	223,699	6,443,664
International network	1,580,787	1,096,408	95,799	17,061,969	122,278	135,671	20,092,912
Investor relations	5,757,162	(327,039)	162,121	1,546,763	220,557	235,514	7,595,078
Other program services	2,618,694	501,388	601,585	2,498	263,353	135,670	4,123,188
Total program services	31,818,713	30,713,171	3,582,440	179,394,702	2,600,048	1,421,463	249,530,537
Supporting services							
General and administrative	5,956,085	10,644,063	479,362	10,103	1,131,998	276,963	18,498,574
Fundraising	3,942,041	664,391	219,115	1,858	453,792	100,899	5,382,096
Total supporting services	9,898,126	11,308,454	698,477	11,961	1,585,790	377,862	23,880,670
Total expenses	$ 41,716,839	$ 42,021,625	$ 4,280,917	$ 179,406,663	$ 4,185,838	$ 1,799,325	$ 273,411,207

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, 2019

	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	$ 381,439	$ 6,583	$ 28,003	$ 167,842,150	$ 39,542	$ 31,103	$ 168,328,820
Impact, strategy and innovation	426,960	35,851	27,448	1,153,400	8,227	8,671	1,660,557
Digital services	6,451,442	19,753,376	1,280,750	14,117	297,651	286,140	28,083,476
U.S. network	8,098,552	2,864,540	1,112,375	6,282,847	646,271	355,508	19,360,093
Brand strategy and marketing	3,710,752	2,467,376	193,564	1,772,500	183,736	164,232	8,492,160
International network	1,352,129	1,225,196	468,399	2,989,944	131,686	138,735	6,306,089
Investor relations	4,701,716	850,298	693,307	9,826	234,526	243,782	6,733,455
Other program services	1,598,801	1,892,388	1,626,734	-	249,139	95,380	5,462,442
Total program services	26,721,791	29,095,608	5,430,580	180,064,784	1,790,778	1,323,551	244,427,092
Supporting services							
General and administrative	4,337,175	2,591,048	365,259	9,314	240,406	216,773	7,759,975
Fundraising	3,008,685	808,636	379,809	-	162,873	143,805	4,503,808
Total supporting services	7,345,860	3,399,684	745,068	9,314	403,279	360,578	12,263,783
Total expenses	$ 34,067,651	$ 32,495,292	$ 6,175,648	$ 180,074,098	$ 2,194,057	$ 1,684,129	$ 256,690,875

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,

	2020	2019
Cash flows from operating activities:		
Cash received from donors	$ 149,176,479	$ 40,657,479
Cash received from Member United Ways	45,387,142	51,722,925
Cash received from customers	5,185,922	17,802,796
Cash received from sale of donated stocks	1,160,405	417,017
Interest and dividend received	534,418	295,620
Cash paid to vendors	(52,186,015)	(39,510,818)
Cash paid for payroll, employee benefits, taxes, and voluntary deductions	(42,301,425)	(36,408,110)
Grants paid	(31,006,301)	(20,983,878)
Cash paid to Member United Ways	(54,246,481)	(16,322,475)
Interest paid	(293,483)	(322,146)
Investment expenses paid	(56,785)	(31,981)
Cash paid to UpPurpose	(1,052,071)	(2,135,381)
Net cash provided by (used in) operating activities	20,301,805	(4,818,952)
Cash flows from investing activities:		
Purchase of property and equipment	(345,464)	(843,359)
Proceeds from sale of investments	8,270,022	17,368,427
Purchase of investments	(5,762,666)	(10,114,967)
Investment in UWDH	-	(400,686)
Net cash provided by investing activities	2,161,892	6,009,415
Cash flows from financing activities:		
Proceeds from the line of credit	3,500,000	5,000,000
Proceeds from Paycheck Protection Program loans	6,249,965	-
Principal payments of line of credit	(5,400,000)	-
Principal payments on equipment notes payable	(1,220,571)	-
Principal payment on promissory notes	(399,999)	(1,173,842)
Payment on finance lease	(50,189)	(64,683)
Net cash provided by financing activities	2,679,206	3,761,475
NET INCREASE IN CASH AND CASH EQUIVALENTS	25,142,903	4,951,938
Cash and cash equivalents, beginning of year	11,699,479	6,747,541
Cash and cash equivalents, end of year	$ 36,842,382	$ 11,699,479
Supplemental disclosures:		
Cash paid during the year for interest	$ 293,483	$ 322,146
Property and equipment included in accounts payable	$ 16,881	$ 237,208

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organizational Mission and Core Values

About United Way Worldwide

For more than 130 years, the United Way network has served as a vehicle for volunteers, donors and advocates who seek to change lives and communities through service, collaboration and impact. United Way Worldwide (UWW) is an international organization whose operational costs are supported primarily by member United Ways through membership dues. UWW serves the worldwide United Way movement by being a leader in philanthropy and a mobilizer of resources, helping to shape the world's health and human services agenda and create a better quality of life for all.

Headquartered in Alexandria, Virginia, UWW also 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 Up Purpose, Inc. (UP), which is a wholly owned subsidiary of UWW incorporated in the United States of America with a goal of creating a proprietary software platform for digital donor engagement content. UP is a for-profit, C corporation and UWW is its sole shareholder. Also, 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 is the sole voting member. This affiliation agreement ended on June 30, 2021. See Note 20.

Organizational Operating Structure

United Way Worldwide's operational structure includes the following program and supporting services, which are included in the accompanying consolidated statements of activities:

Program Services

Donor Advised Giving

The United Way Worldwide Donor Advised Giving Program (IDAG and DAF) facilitates grants to domestic and international organizations, based upon recommendations by program contributors that meet programmatic or geographic interests of both the donors and UWW. Through IDAG, donors can provide funding for grants to a variety of charitable organizations, such as schools, orphanages, hospitals, community development and research centers and a network of United Ways around the world. Grants can be used for charitable purposes in a particular country, region or field of interest and support a specific charitable organization inside or outside the United States.

Digital Services

The United Way Worldwide Digital Services team provides leadership to the United Way network in design, creation, and implementation of digital technology-based donor engagement strategies. Through the use of state-of-the-art digital technologies that leverage the network's data resources, the digital services team makes possible secure, personalized, real-time philanthropy that increases giving, advocacy, and volunteerism. UWW created the Digital Services team to better align with the services provided.

U.S. Network

The United Way Worldwide U.S. Network team provides governance, resource development, program and capacity building support and training to United Way members within the United States of America. In addition, the U.S Network team supports member grant distribution services, community building, national agencies' support, volunteer development, early childhood development, financial stability, 2-1-1® initiative and Born Learning®. It also provides regional and technical consultative support to member United Ways, coordination of national activities at the regional level, and crisis response.

Brand Strategy and Marketing

The United Way Worldwide Brand Strategy and Marketing team provides support in all brand identity and consistency matters including marketing, advertising and other promotional opportunities designed to promote individual participation in advancing the common good in their community and strengthen trust for the United Way brand around the world. It also promotes media and public relations; manages the LIVE UNITED® campaign through production of video, television, radio, print media, and other collateral materials; maintains the United Way/National Football League partnership including pro-bono media and the Character Playbook program; maintains the United Way/Public Service Announcement partnership including production and placement of public service announcements in television, radio, and print media; and promotes strong internal communications for the leadership organization and the network.

International Network

The United Way Worldwide International Network team provides governance, resource development, program and capacity building support and training to United Way members throughout the worldwide network outside the United States of America. With staff located at regional office sites in Colombia, Ghana, Hong Kong, China, and Switzerland, network staff work closely with member United Way staff and volunteer board members.

Investor Relations

The United Way Worldwide Investor Relations team provides relationship management support and skills training for member United Ways and United Way network-wide programs including Global Corporate Leadership, international activities, major gifts, Alexis de Tocqueville program, planned giving, and community and public sector campaigns.

Other Program Services

Learning, Conferencing and Talent Management

The United Way Worldwide Learning and Conferencing team and Talent Management team produce and provide training programs and learning opportunities for United Way volunteers, staff and partners through national conferences, regional meetings, webinars, social media platforms, virtual trainings, in-person organizational trainings and other learning/developmental opportunities.

Campaign and Public Relations

UWW Campaign operations are limited to management of national fiscal agent relationships with a number of for-profit companies that provide workplace fundraising campaign pledge processing, at a select number of participating companies, on behalf of and in cooperation with member participating United Ways.

Public Relations is the element of the UWW campaign operations structure that is responsible for creating and overseeing United Way's internal communications strategy and plan. The primary focus is on maintaining a communications program that is a two-way partnership between member United Ways and participating companies.

Promotional Material Sales

In 2013, United Way Worldwide began to provide licensing rights to select vendors to sell promotional products bearing the United Way brand and trademarks in order to ensure compliance with its branding standards and to ensure the full value of its trademark is maintained for member United Way benefit. The United Way Worldwide Licensing team also facilitates production and sale of a limited number of United Way branded products, such as the Born Learning® trail kit, that are not available from alternative vendors.

Supporting Services

General and Administrative

This supporting service category includes the functions necessary to secure proper administrative functioning of UWW's governing board, maintain an adequate working environment, and manage financial responsibilities of UWW.

Fundraising

This supporting service category includes expenditures which provide the structure necessary to encourage and secure private financial support for UWW's own operations.

Consolidation Policy

The consolidated financial statements include the accounts of UWW, UW Asia Ltd., UP, and UWBA (collectively referred to as the Organization). Significant transactions between the entities, including all intercompany balances, have been eliminated in consolidation.

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 (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 $4.50 billion to the FEMA to provide emergency food and shelter to needy individuals throughout the country. UWW charged certain administrative expenses to EFSP totaling $ 317,965 and $313,964 for the years ended December 31, 2020 and 2019, respectively. As of December 31, 2020 and 2019, undistributed balances of $4,099,804 and $2,727,714, respectively, were 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, 2020 and 2019 amounts to $155,623 and $143,089, 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. The net present value of the liability for future annuity payments is $306,950 and $344,911 at December 31, 2020 and 2019, respectively. UWW accrues no liability beyond the assets of the funds. The fair value of the CGA pool is $408,354 and $535,519, including $80,669 and $73,037 of loss reserve (required by the state of New York), at December 31, 2020 and 2019, 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, 2020 and 2019, the fund’s fair value of $2,111,617 and $2,187,961, respectively, is included in custodial funds.

As of December 31, 2020 and 2019, UWW’s custodial funds totaled $6,775,399 and $5,593,864, respectively, 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 its 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 2020 and 2019. 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 statement 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 statements of financial position. The artwork was appraised in 1994 and is recorded at the appraisal value. The artwork is not depreciated in accordance with 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 as well as deferred service revenue from members participating in the digital services operating group and a contract with UW Centers for Disease Control. 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.

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 has 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 statements 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. As of December 31, 2020 and 2019, the amount of the deferred training credit was $4,006,886 and $3,262,842, respectively.

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 $3,325,000 and $2,250,000 in unrecognized conditional contributions as of December 31, 2020 and 2019. 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 GAAP. The Organization records donated professional services, which meet criteria established by 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 statements 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:

	Years Ended December 31, 2020	2019
Board designation to operations		
Board designation for UWBA	$ 2,427,748	$ -
Board designation for Center on Aging	7,949	7,871
Board designation for Operating Initiatives	13,278,621	3,294,101
Board designation for Donor Advised Funds	3,316,741	637,178
Total Board designated and transfers to operations	$ 19,031,059	$ 3,939,150

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 statements 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 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, 2020 and 2019, there were no funds with deficiencies.

	2020	2019
Fair value of endowments	$ 10,386,818	$ 4,139,982
Original endowment gift amount	(7,698,894)	(3,801,730)
Surplus of endowment funds	$ 2,687,924	$ 338,252

Use of Estimates

The preparation of consolidated financial statements in conformity with 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, 2020 and 2019, UWW held $36,170,642 and $9,982,970, respectively, 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.

Reclassifications

Certain 2019 consolidated financial statement amounts have been reclassified to conform to the 2020 consolidated financial statement classification. These reclassifications have no effect on total assets, liabilities, or net assets.

Recent Accounting Pronouncements

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958)* to clarify the presentation and disclosure of contributed nonfinancial assets, including land, buildings, and other items. The Update does not change existing recognition and measurement requirements for contributed nonfinancial assets. The new standard is effective for annual reporting periods beginning after June 15, 2021 with early adoption permitted. The Organization has evaluated the anticipated effect the provisions of ASU 2020-07 will have on the consolidated financial statements and expects no material restatement to be required when the standard is adopted.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with 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, 2021. 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,	
	2020	2019
Corporate bonds	$ 8,050,147	$ 2,524,846
Equity securities	19,870,893	13,671,970
U.S. government agency notes	461,651	498,375
U.S. Treasury notes	1,431,626	2,712,395
Bond funds	2,463,461	2,192,376
Corporate stocks	-	2,268
Total	$ 32,277,778	$ 21,602,230

NOTE 3 - CUSTODIAL FUNDS

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

	December 31,	
	2020	2019
Cash equivalents	$ 6,192,853	$ 4,890,272
Equity securities	84,229	84,979
U.S. Treasury notes	13,076	16,950
Common collective trusts	485,241	601,663
Total	$ 6,775,399	$ 5,593,864

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).

A summary of investments and custodial fund investments summarized by input level as of December 31, 2020 is as follows:

	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Investments:				
Corporate bonds				
Domestic	$ 4,998,923	$ -	$ -	$ 4,998,923
International	3,051,224	-	-	3,051,224
Equity securities				
Domestic	10,465,983	-	-	10,465,983
International	3,362,130	-	-	3,362,130
Emerging markets	484,532	-	-	484,532
Foreign limited partnerships	-	-	5,387,758	5,387,758
U.S. government agency notes	461,651	-	-	461,651
U.S. Treasury notes	1,431,626	-	-	1,431,626
Bond funds	2,463,461	-	-	2,463,461
Pool income funds	-	170,490	-	170,490
Total investments	$ 26,719,530	$ 170,490	$ 5,387,758	$ 32,277,778
Custodial funds:				
Cash equivalents	$ 6,192,853	$ -	$ -	$ 6,192,853
Equity securities - domestic	84,229	-	-	84,229
U.S. Treasury notes	13,076	-	-	13,076
Common collective trusts	-	485,241	-	485,241
Total custodial funds	$ 6,290,158	$ 485,241	$ -	$ 6,775,399

A summary of investments and custodial fund investments summarized by input level as of December 31, 2019 is as follows:

	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Investments:				
Corporate bonds				
Domestic	$ 2,524,846	$ -	$ -	$ 2,524,846
Equity securities				
Domestic	3,660,354	-	-	3,660,354
International	578,483	-	-	578,483
Emerging markets	437,003	-	-	437,003
Foreign limited partnerships	-	-	8,996,130	8,996,130
U.S. government agency notes	498,375	-	-	498,375
U.S. Treasury notes	2,712,395	-	-	2,712,395
Bond funds	2,192,376	-	-	2,192,376
Corporate stocks	2,268	-	-	2,268
Total investments	$ 12,606,100	$ -	$ 8,996,130	$ 21,602,230
Custodial funds:				
Cash equivalents	$ 4,890,272	$ -	$ -	$ 4,890,272
Equity securities - domestic	84,979	-	-	84,979
U.S. Treasury notes	16,950	-	-	16,950
Common collective trusts	-	601,663	-	601,663
Noncurrent custodial funds	101,929	601,663	-	703,592
Total custodial funds	$ 4,992,201	$ 601,663	$ -	$ 5,593,864

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 2020 and 2019.

Level 3 Valuation Process - Foreign Limited Partnerships

The partnership 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 cost, 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.”

As a result of this valuation approach, the Organization recorded investment impairments of $3,608,373 and $6,001,736 at December 31, 2020 and 2019, respectively.

NOTE 5 - MEMBER UNITED WAY RECEIVABLES

Member United Way receivables consist of the following at:

	December 31,	
	2020	2019
Member United Way receivables	$ 11,490,013	$ 4,639,872
Allowance for doubtful accounts	(1,236,764)	(151,681)
	$ 10,253,249	$ 4,488,191

Bad debt expense related to member United Way receivables totaled $1,196,942 and $106 for the years ended December 31, 2020 and 2019, respectively.

NOTE 6 - CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following unconditional promises to give at:

	December 31, 2020	December 31, 2019
Amounts due in:		
Less than one year	$ 12,245,949	$ 4,135,386
One or more years	8,431,866	2,294,192
Total contributions receivable	20,677,815	6,429,578
Less: discount	(1,430,412)	(937,185)
Less: allowance for uncollectible pledges	(518,692)	(35,447)
	$ 18,728,711	$ 5,456,946

Bad debt expense related to contributions receivable totaled $181,018 and $196 for the years ended December 31, 2020 and 2019, respectively. In addition, UWW also wrote off a specific receivable in the amount of $2,267 in 2020; there were no similar write-off in 2019.

NOTE 7 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at:

	December 31, 2020	December 31, 2019
Land	$ 2,102,080	$ 2,102,080
Building and building improvements	41,662,320	41,535,514
Furniture, artwork, equipment, auto and software	15,499,925	13,225,319
	59,264,325	56,862,913
Less: accumulated depreciation and amortization	(34,557,944)	(30,784,637)
	$ 24,706,381	$ 26,078,276

NOTE 8 - OTHER ASSETS

Other assets consist of the following at:

	December 31, 2020	December 31, 2019
Accounts receivable, net of allowance for doubtful accounts of $15,701 and $12,306 for 2020 and 2019, respectively	$ 1,758,116	$ 1,405,686
Prepaid expenses and deposits	1,304,677	2,263,559
Life insurance contracts and deferred compensation plan assets	1,223,144	1,139,666
	$ 4,285,937	$ 4,808,911

NOTE 9 - DEBT

In August 2020, UWW entered into a line of credit agreement with HSBC Bank USA, N.A. The maximum capacity of the new credit agreement is $5 million with commitment termination date of August 2021 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%. See Note 20 for the line of credit renewal. UWW's line of credit with Bank of America expired in August 2020. The interest rate on the line of credit did not change from LIBOR plus 1.6%, the rate that became effective August 31, 2017. UWBA maintains a line of credit with a reputable and recognized financial institution. The terms of this agreement call for the pledging of securities and other investments maintained in the financial institution for any and all obligations taken on by UWBA under this agreement. The agreement provides for a total credit limit of up to $4,900,000, based on the fair value of the pledged collateral.

There was borrowing under the lines of credit of $5,500,000 for UWW and UWBA as of December 31, 2020, and $5,000,000 for UWW as of December 31, 2019. The Organization incurred $120,813 and $88,196 interest expense on the lines of credit for the years ended December 31, 2020 and 2019, respectively. The Organization was in compliance with all debt covenants as of December 31, 2020 and 2019.

In 2015, UWW entered into an equipment financing agreement with Bank of America related to the renovation of its 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, 2020 and 2019:

	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, 2020				
Current	$ 478,792	$ 633,852	$ 156,513	$ 1,269,157
Noncurrent	40,748	216,842	94,161	351,751
Total	$ 519,540	$ 850,694	$ 250,674	$ 1,620,908
December 31, 2019				
Current	$ 460,463	$ 609,587	$ 150,520	$ 1,220,570
Noncurrent	519,542	850,696	250,673	1,620,911
Total	$ 980,005	$ 1,460,283	$ 401,193	$ 2,841,481
Interest basis	3.9% fixed	3.9% fixed	3.9% fixed	

Interest paid on all of the above loans was totaled $89,382 and $136,111 for the years ended December 31, 2020 and 2019, respectively.

The aggregate amount of maturities for these long-term borrowings is as follows:

December 31,	Amount
2021	$ 1,269,157
2022	351,751
Total	$ 1,620,908

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:

Years Ending December 31,	Amount
2021	$ 700,000
2022	700,000
2023	700,000
2024	700,001
Total	$ 2,800,001

Interest paid on the above loans totaled $90,278 and $81,781 for the years ended December 31, 2020 and 2019, respectively.

Paycheck Protection Program Loans

In April 2020, the Organization received loans in the total amount of $6,249,965 pursuant to the Paycheck Protection Program (PPP) under the Coronavirus Aid, Relief, and Economic Security Act and subsequent amendments. The loans to UWW and UWBA mature in April 30, 2022 and bear interest at a rate of 1% per annum. The loan to UpPurpose matures in May 2022 and bears interest at a rate of 1% per annum. Under the program terms, the loans and accrued interest are expected to be forgiven and recognized as grant revenue if the loan proceeds are used to maintain compensation costs and employee headcount, and other qualifying expenses (mortgage interest, rent and utilities) incurred following receipt of the loan. The Organization expects to recognize a contribution at the time the loan is explicitly forgiven in a future fiscal year.

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 and other life insurance benefits.

UWBA is an affiliate of UWW, and is a consolidated entity for the year ended December 31, 2020 as a result of an affiliation agreement effective January 1, 2020. UWBA has independently managed its own pension plan as well as other postretirement benefits plans to serve its employees.

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, 2020	December 31, 2019
UWW Plan	$ 7,365,365	$ 6,029,904
Non-Qualified Plans	49,958	50,889
UWW Make-up Plan	291,903	287,005
Total recognized liability	$ 7,707,226	$ 6,367,798

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, 2020	December 31, 2019
Postretirement benefit plans	$ 3,678,298	$ 3,545,169

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:

	December 31, 2020	December 31, 2019
UWW Plan	$ (1,983,177)	$ 1,111,919
Non-Qualified Plans	2,443	3,316
Postretirement Plans	9,204	(25,609)
Total change in unrecognized (loss) gain recognized apart from expenses	$ (1,971,530)	$ 1,089,626

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, 2020 and 2019, 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, 2020 and 2019 and the key assumptions used by the UWW Plan's actuary. The calculations are performed based on measurement dates of December 31, 2020 and 2019 each year.

Obligations and Funded Status

	December 31,	
	2020	2019
Accumulated benefit obligation	$ 49,410,671	$ 45,280,283
Projected benefit obligation	49,410,671	45,280,283
Fair value of plan assets	42,045,306	39,250,379
Funded status - underfunded	$ (7,365,365)	$ (6,029,904)
Unfunded pension liability	$ 7,365,365	$ 6,029,904

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

	Year Ended December 31,	
	2020	2019
Gain (loss) due to asset return	$ 2,814,295	$ 5,579,069
Gain (loss) due to change in discount rate and other assumptions	(4,634,715)	(3,978,419)
Gain (loss) due to participant experience	(162,757)	(488,731)
Total	$ (1,983,177)	$ 1,111,919

In October 2020, the Retirement Plan Experience Committee (RPEC) released an updated scale MP-2020 and updated the mortality model with historical mortality rates through 2018. In addition to the annual historical population data update, Scale MP-2020 included a change to the RPEC committee-selected assumption of long-term rate of mortality improvement. Principal then added another year of mortality data to Principal MI Scales which resulted in a slight decrease for typical pension liabilities of 0.05% to 0.60% depending on the scale and plan characteristics.

United Way Worldwide's contributions and benefit payments made were as follows:

	Year Ended December 31,	
	2020	2019
Employer contributions	$ -	$ 900,000
Benefits paid	$ 2,060,495	$ 2,275,134

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, 2020 and 2019 were:

	Year Ended December 31, 2020	Year Ended December 31, 2019
Interest cost	$ 1,393,411	$ 1,655,883
Expected return on assets	(2,041,127)	(1,775,753)
Amortization of loss	680,943	1,247,133
	$ 33,227	$ 1,127,263

Assumptions

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

	Year Ended December 31, 2020	Year Ended December 31, 2019
Benefit obligation:		
Discount rate	2.35%	3.15%
Rate of compensation increase	N/A	N/A
Net periodic benefit cost:		
Discount rate	3.15%	4.10%
Rate of compensation increase	N/A	N/A
Expected return on plan assets	6.20%	6.20%

Plan Assets

The fair value of plan assets by asset class as of December 31, 2020 and 2019 were:

	December 31, 2020	December 31, 2019
Pooled separate accounts - bond funds	$ 18,986,361	$ 20,920,397
Pooled separate accounts - equity securities	23,058,945	18,330,282
Total	$ 42,045,306	$ 39,250,379

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, 2020 and 2019. 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, 2020 and 2019, 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 loss during the year ended December 31, 2021 is $853,186.

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

Years Ending December 31,	Amount
2021	$ 2,170,000
2022	2,130,000
2023	2,200,000
2024	2,270,000
2025	2,370,000
2026-2030	12,550,000
Total	$ 23,690,000

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, 2020 and 2019 and the key assumptions used by the actuary. The calculations are performed based on measurement dates of December 31, 2020 and 2019 for the years ended December 31, 2020 and 2019, respectively.

Obligations and Funded Status

	December 31, 2020	December 31, 2019
Projected benefit obligation	$ 49,958	$ 50,889
Funded status - underfunded	$ (49,958)	$ (50,889)
Unfunded pension liability	$ 49,958	$ 50,889

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 is intended to fund and the Organization's liability equals the account balance at all times. The balance in the account was $2,257,245 and $2,039,785 as of December 31, 2020 and 2019, respectively.

Items not yet recognized as a component of net periodic pension cost as of December 31, 2020 and 2019 are as follows:

	Year Ended December 31, 2020	Year Ended December 31, 2019
Loss due to change in discount rate and other assumptions (including mortality assumption)	$ (2,000)	$ (1,568)
Gain due to participant experience	4,443	4,900
Total	$ 2,443	$ 3,332

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, were:

	Year Ended December 31, 2020	Year Ended December 31, 2019
Interest cost	$ 1,512	$ 2,018
Amortization of loss	(5,942)	(5,684)
Net periodic benefit cost	$ (4,430)	$ (3,666)

Assumptions

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

	Year Ended December 31,	
	2020	2019
Benefit obligation:		
Discount rate	2.35%	3.15%
Rate of compensation increase	N/A	N/A
Net periodic benefit cost:		
Discount rate	3.15%	4.10%
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, 2021 is $5,953.

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

Years Ending December 31,	Amount
2021	$ 5,800
2022	5,500
2023	5,300
2024	5,000
2025	4,700
2026-2030	18,000
Total	$ 44,300

The Organization does not expect to make contributions to the Non-Qualified Plans in 2021.

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, 2020 and 2019 and the key assumptions used by the actuary. The calculations are performed based on measurement dates of December 31, 2020 and 2019 each year.

Obligations and Funded Status

	December 31,	
	2020	2019
Accumulated benefit obligation	$ 1,421,053	$ 1,505,384
Funded status - underfunded	$ (1,421,053)	$ (1,505,384)
Unfunded pension liability	$ 1,421,053	$ 1,505,384

Items not yet recognized as a component of net periodic pension cost as of December 31, 2020 and 2019 are as follows:

	Year Ended December 31,	
	2020	2019
Gain (loss) due to change in discount rate and other assumptions (including mortality assumption)	$ 89,518	$ (103,420)
Gain (loss) due to participant experience	(98,716)	77,811
Total	$ (9,198)	$ (25,609)

Contributions and benefit payments made during the year were as follows:

	Year Ended December 31,	
	2020	2019
Employer contributions	$ 125,777	$ 94,548
Benefits paid	$ (125,777)	$ (94,548)

Net Periodic Benefit Cost

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

	Year Ended December 31, 2020	Year Ended December 31, 2019
Service cost	$ 5,256	$ 1,408
Interest cost	45,388	59,232
Net amortization		
Amortization of prior service cost	52,388	69,035
Amortization of net gain	(53,219)	(60,409)
	$ 49,813	$ 69,266

Assumptions

	Year Ended December 31, 2020	Year Ended December 31, 2019
Measurement date	December 31, 2020	December 31, 2019
Discount rate	2.35%	3.15%

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, 2021:

Years Ended December 31, 2021	Amount
Prior service cost	$ 16,840
Net actuarial gain	$ (54,627)

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

Years Ending December 31,	Amount
2021	$ 118,000
2022	118,000
2023	117,000
2024	114,000
2025	111,000
2026-2030	478,000
Total	$ 1,056,000

UWW does not expect to make contributions during 2021 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 (ERISA) and the Internal Revenue Code (IRC). The projected benefit is estimated to be $291,903 and $287,005, which is accrued as of December 31, 2020 and 2019, respectively. Pension income for these benefits amounted to $4,898 and $5,998 for the years ended December 31, 2020 and 2019, 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 $1,707,304 and $1,604,747 for the years ended December 31, 2020 and 2019, 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, 2020 and 2019, the assets of $469,585 and $380,784, respectively, for this plan are included in other assets in the consolidated statements of financial position. The assets are invested in cash and cash equivalents. The matching liabilities as of December 31, 2020 and 2019 of $469,585 and $380,784, respectively, for this plan are reflected in other liabilities in the consolidated statements of financial position. UWW's contributions to this plan were $61,259 and $60,914 for the years ended December 31, 2020 and 2019, respectively.

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, 2020 and 2019, the assets of $32,348 and $65,292, respectively, for this plan are included in other assets in the consolidated statements of financial position. The assets are invested in cash and cash equivalents. The fair value of the insurance policy was $186,105 and $266,017 for the years ended December 31, 2020 and 2019, respectively.

Defined Benefit Pension Plan - UWBA

The Pension Plan of United Way of the Bay Area (the "UWBA Plan") is a single employer defined benefit pension plan with UWBA as plan sponsor.

The UWBA Plan was amended to freeze participation and benefit accruals under the UWBA Plan effective December 31, 2006. Accordingly, no employees will become participants after the December 1, 2006, entry date, and participants' UWBA Plan benefits will not increase after December 31, 2006. In no event will the accrued benefit of any participant be less than that calculated as of December 31, 2006.

The UWBA Plan obligation is measured at June 30, 2020, and approximates the obligation as of December 31, 2020. Accrued pension costs consist of the following at June 30, 2020:

Defined benefit pension plan liabilities	$ 6,041,390
Defined early retirement medical and long-term care benefit plans	67,342
Total accrued pension costs	$ 6,108,732

The following information sets forth the UWBA Plan's projected benefit obligation, fair value of plan assets, unfunded status, and accumulated benefit obligation as of June 30, 2020:

Projected benefit obligation	
Beginning of year	$ 16,773,262
Service cost	251,014
Interest costs	537,673
Actuarial loss	2,516,179
Benefits paid	(1,261,447)
Administrative expenses paid	(81,555)
End of year	$ 18,735,126
Fair value of plan assets	
Beginning of year	$ 12,833,905
Actual return of plan assets	745,001
Employer contributions	457,832
Benefits paid	(1,261,447)
Administrative expenses paid	(81,555)
End of year	$ 12,693,736
Underfunded status of the UWBA Plan at year end	$ (6,041,390)

Amounts recognized for the defined benefit pension plan only in the accompanying statements of financial position are as follows as of June 30, 2020:

Prepaid benefit cost	$ 2,793,635
Additional accrued pension liability for pension plans with a benefit obligation in excess of plan assets	(8,835,025)
Defined benefit pension liabilities	$ (6,041,390)
Net asset without donor restrictions, pension liability in excess of intangible pension assets	$ 8,835,025

Amounts reflected in the accompanying statements of activities and changes in net assets are as follows for the years ended June 30, 2020:

Service cost	$ 251,014
Interest cost	537,673
Expected return on assets	(995,297)
Amortization loss	396,484
Net periodic pension cost	$ 189,874

The projected unit credit cost method was utilized for measuring net periodic pension cost over the employee's estimated service life. The following table summarizes the assumptions used in computing the present value of projected benefit obligations and net periodic cost as of June 30, 2020:

Assumptions used in computing benefit obligation	
Discount rate	2.30%
Rate of compensation increase	N/A
Assumptions used in computing the net periodic pension costs	
Discount rate	3.25%
Expected return on assets	8.00%
Rate of compensation increase	N/A

The investment objective for the UWBA Plan is to maximize total return within reasonable and prudent levels of risk. The UWBA Plan's weighted-average asset allocations are as follows as of June 30, 2020:

Asset category	
Common and collective trusts	
Equity	60.2%
Debt	37.0%
Cash and cash equivalents	2.8%
Total	100.0%

The fair values of the UWBA's defined benefit plan assets at June 30, 2020, by asset category are as follows:

Fair Value Measurement Inputs	Level 1	Level 2	Total
Cash and cash equivalents	$ 359,348	$ -	$ 359,348
Large cap equities fund	-	4,055,348	4,055,348
Small cap equities fund	-	1,064,529	1,064,529
Mid cap fund	-	620,975	620,975
International equities fund	-	1,900,945	1,900,945
Fixed income securities	-	4,692,591	4,692,591
Total	$ 359,348	$ 12,334,388	$ 12,693,736

The estimated minimum benefit payments that reflect expected future service, as appropriate, to be paid by UWBA are as follows:

Year Ending June 30,	Amount
2021	$ 908,954
2022	921,476
2023	949,828
2024	979,420
2025	1,015,119
2026-2030	5,020,497
	$ 9,795,294

UWBA contributed $457,832 to the UWBA Plan during the year ended June 30, 2020,

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,	
	2020	2019
Undesignated	$ 12,505,701	$ 5,282,513
Board designated for Center on Aging	362,448	370,397
Board designated for Donor Advised Funds	6,583,233	9,899,974
Board designated for Quasi-Endowment	5,400,248	1,523,587
Total net assets without donor restrictions	$ 24,851,630	$ 17,076,471

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 $7,108,228 and $18,856,787 for the years ended December 31, 2020 and 2019, respectively.

Grants (including program service expenses) made to organizations outside the United States from the IDAG program were $9,585,525 and $19,976,051 for the years ended December 31, 2020 and 2019, respectively, which are included in the consolidated statements of activities.

The balance of unexpended IDAG funds decreased by $3,316,741 during the year ended December 31, 2020 and decreased by $637,178 during the year ended December 31, 2019.

Other Donor Advised Funds (DAF)

In 2016, UWW executed an addendum to an existing fiscal agent agreement with a third party to provide donation processing services related to a donor advised giving program offered to various corporations and individuals. As with the IDAG program, the Board maintains a policy that all DAF contributions are to be set aside for use in satisfying program grants and other program service costs.

Contributions to the DAF program were $100,194,207 and $148,144,486 for the years ended December 31, 2020 and 2019, respectively, which are included in the consolidated statements of activities.

Grants (including program service expenses) made to organizations from the DAF program were $100,333,042 and $147,562,400 for the years ended December 31, 2020 and 2019, respectively, which are included in the consolidated statements of activities.

There were no unexpended DAF contributions as of December 31, 2020. The balance of unexpended DAF contributions was $880,766 as of December 31, 2019.

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 $5,400,248 and $1,523,587 at December 31, 2020 and 2019, respectively, and generated $4,441,661 and $281,882 of additional contributions and earnings for the years ended December 31, 2020 and 2019, respectively.

NOTE 12 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods as follows:

	December 31, 2020	December 31, 2019
Subject to expenditure for specified purpose or period:		
Impact, strategy, and innovation	$ 16,673,844	$ 7,974,404
U.S. network	12,530,805	3,283,695
International network	5,642,365	1,508,208
Investor relations	5,987,820	5,146,848
Other program services	642,878	568,722
Total subject to expenditure for specified purpose or period	$ 41,477,712	$ 18,481,877
Endowments subject to the Organization's spending policy and appropriation Investment in perpetuity (original amount of $7,698,894 and $3,801,730 in 2020 and 2019, respectively), for which earnings are expendable to support:		
Senior resource center	$ 7,688,251	$ 3,791,087
Any activities of the Organization	10,643	10,643
Accumulated, unappropriated earnings	676,118	338,252
Total endowments subject to the Organization's spending policy and appropriation	8,375,012	4,139,982
Total net assets with donor restrictions	$ 49,852,724	$ 22,621,859

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:

	December 31, 2020	December 31, 2019
Purpose or period restrictions accomplished:		
Impact, strategy, and innovation	$ 11,144,899	$ 5,392,811
U.S. network	51,108,566	4,665,287
International network	15,674,804	1,332,366
Investor relations	3,526,526	233,730
Other program services	2,065,980	269,850
Net assets released from restrictions	$ 83,520,775	$ 11,894,044

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 are as follows:

	December 31, 2020	December 31, 2019
Cash and cash equivalents	$ 36,842,382	$ 11,699,479
Investments - other	26,890,020	12,606,100
Investments - unliquidated donated stocks	5,387,758	8,996,130
Member United Way receivables, net	10,253,249	4,488,191
Contributions receivable, net	18,728,711	5,456,946
Accounts receivable, net	2,335,684	1,282,080
Total financial assets	$ 100,437,804	$ 44,528,926
Less:		
Amounts unavailable for general expenditures within one year, due to:		
Restricted for UWBA activity	$ (49,077,245)	$ -
Restricted by donors with purpose restrictions	(31,452,850)	(18,481,877)
Restricted by donors in perpetuity	(4,477,848)	(4,139,982)
Total amounts unavailable for general expenditures within one year	$ (85,007,943)	$ (22,621,859)
Amounts unavailable without Board's approval:		
Board Designated for Quasi-Endowment	$ (2,972,500)	$ (1,523,587)
Board Designated for SERP/457(f) plan asset	(2,257,245)	(2,039,785)
Board Designated for Center on Aging	(362,448)	(370,397)
Board Designated for Donor Advised Funds	(6,583,233)	(9,899,974)
Total amounts unavailable without Board's approval	$ (12,175,426)	$ (13,833,743)
Total financial assets available for general expenditure within one year	$ 3,254,435	$ 8,073,324

As of December 31, 2020, the Organization excluded UWBA financial assets from amounts available for general expenditures within one year as these funds are not available to the Organization. The affiliation agreement was not effective as of December 31, 2019 and was terminated on June 30, 2021. See Note 20.

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, 2020, 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). The Organization recorded impairment losses on this investment of $3,608,373 and $6,001,736 at December 31, 2020 and 2019, respectively.

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 20.

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 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, 2020 and 2019:

	December 31, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Board designated for quasi-endowment fund	$ 5,486,330	$ -	$ 5,486,330
Donor restricted endowment funds:			
Original donor restricted gift amount and amounts required to be maintained in perpetuity by donor	-	7,698,894	7,698,894
Accumulated, unappropriated earnings	(86,082)	2,687,924	2,601,842
Total endowment funds	$ 5,400,248	$ 10,386,818	$ 15,787,066

	December 31, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Board designated for quasi-endowment fund	$ 1,486,557	$ -	$ 1,486,557
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	37,030	338,252	375,282
Total endowment funds	$ 1,523,587	$ 4,139,982	$ 5,663,569

Changes in Endowment Net Assets

The following table represents the changes in UWW's endowment funds during the years ended:

	December 31, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 1,523,587	$ 4,139,982	$ 5,663,569
Contributions	3,999,773	5,622,372	9,622,145
Investment return, net	441,888	1,076,012	1,517,900
Appropriations	(565,000)	(451,548)	(1,016,548)
Endowment net assets, end of year	$ 5,400,248	$ 10,386,818	$ 15,787,066

	December 31, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 1,028,661	$ 3,634,390	$ 4,663,051
Contributions	281,883	-	281,883
Investment return, net	213,043	657,492	870,535
Appropriations	-	(151,900)	(151,900)
Endowment net assets, end of year	$ 1,523,587	$ 4,139,982	$ 5,663,569

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. Leased office equipment includes the telephone system and computer components.

Rent expense for the years ended December 31, 2020 and 2019 was $1,224,276 and $19,881, respectively.

Future minimum lease payments under the operating leases are as follows:

Years Ending December 31,	Amount
2021	$ 1,214,186
2022	1,130,451
2023	845,948
Total	$ 3,190,585

Agreement between UWW and Salesforce

In August 2017, UWW entered into a design partner and reseller agreement with Salesforce.org (Salesforce) in order to form a strategic alliance centered on the design and deployment of a Corporate Social Responsibility technology platform and Employee Engagement Application (collectively, the CSR Package) each developed by Salesforce. UWW has been granted by Salesforce a limited, nontransferable, non-sublicenseable right to market, demonstrate, resell and support the CSR Package for an exclusive period of two years. In return, UWW agreed to pay Salesforce a reseller non-recurring engineering (NRE) fee of $6,000,000, which is being credited back to UWW upon payment of CSR Package's minimum annual prepaid subscription fees, which began in 2019 and was to continue for five years. In September 2021, UWW executed an agreement which reduced future obligations with payments due according to the following schedule:

Years Ending December 31,	Amount
2021	$ 2,900,000
2022	2,900,000
Total	$ 5,800,000

Subsequent to the executed amendment, UWW will continue to partner with Salesforce to support the CSR Package in the future although not as a reseller.

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 years ended December 31, 2020 and 2019, respectively.

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 $24,825,233 and $20,009,999 for 2020 and 2019, 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 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.

UP, a wholly owned corporate subsidiary of UWW formed in March 2019, is subject to Federal Income taxes and therefore that entity separately files all tax forms and pays all taxes owed directly. In the course of consolidation with UWW, estimated taxes owed are reflected in these consolidated financial statements. The total estimated tax liability of UP is $68,511 and $202,994 at December 31, 2020 and 2019, respectively.

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 8, 2021, 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, 2020, except as noted below.

As of June 30, 2021, UWW ended the affiliation relationship with UWBA. Effective the same date, UWW and UWBA signed a short-term fiscal services agreement to transition office services back to UWBA. The transition is expected to be complete by November 2021.

In August 2021, UWW renewed its line of credit agreement with HSBC Bank USA, N.A. The maximum capacity of the 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 Euro dollar loan at the adjusted LIBOR rate.

As disclosed in Note 16, on September 15, 2021, UWW renegotiated their Salesforce contract, significantly altering the terms of the original agreement.

SUPPLEMENTAL INFORMATION

United Way Worldwide and United Way of Bay Area

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

Year ended December 31, 2020

	United Way Worldwide	United Way of Bay Area	Elimination	Consolidated
ASSETS				
Cash and cash equivalents	$ 11,990,042	$ 24,671,393	$ 180,947	$ 36,842,382
Custodial funds (Notes 3 and 4)	6,775,399	-	-	6,775,399
Member United Way receivables, net (Note 5)	10,253,249	-	-	10,253,249
Contributions receivable, net (Note 6)	10,091,941	8,636,770	-	18,728,711
Investments (Notes 2 and 4)	16,689,643	15,769,082	(180,947)	32,277,778
Property and equipment, net (Note 7)	24,532,207	174,174	-	24,706,381
United Way Digital Holding, LLC receivable	-	160,090	(160,090)	-
Other assets (Note 8)	3,673,490	612,357	90	4,285,937
Total assets	$ 84,005,971	$ 50,023,866	$ (160,000)	$ 133,869,837
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable and accrued liabilities	$ 12,227,337	$ 7,084,514	$ -	$ 19,311,851
Custodial funds (Notes 3 and 4)	6,775,399	-	-	6,775,399
Deferred revenue	4,406,149	-	-	4,406,149
Pension benefits liability (Note 10)	7,707,226	5,965,391	-	13,672,617
Postretirement benefits liability (Note 10)	3,678,298	67,342	-	3,745,640
Equipment notes payable (Note 9)	1,620,908	-	-	1,620,908
Notes payable to United Way Members (Note 2)	2,960,001	-	(160,000)	2,800,001
Paycheck Protection Program Loans	5,050,841	1,199,124	-	6,249,965
Other liabilities	566,843	16,110	-	582,953
Total liabilities	44,993,002	14,332,481	(160,000)	59,165,483
Net assets				
Without donor restrictions (Note 12)	3,082,271	21,769,359	-	24,851,630
With donor restrictions (Notes 13 and 14)	35,930,698	13,922,026	-	49,852,724
Total net assets	39,012,969	35,691,385	-	74,704,354
Total liabilities and net assets	$ 84,005,971	$ 50,023,866	$ (160,000)	$ 133,869,837

United Way Worldwide and United Way of Bay Area

CONSOLIDATING STATEMENT OF ACTIVITIES

Year ended December 31, 2020

	United Way Worldwide			United Way of Bay Area				Consolidated		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Elimination	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues										
Public support and other revenues										
Membership support, net	$ 35,487,830	$ -	$ 35,487,830	$ -	$ -	$ -	$ (249,585)	$ 35,238,245	$ -	$ 35,238,245
Contributions	116,938,988	84,436,141	201,375,129	30,708,618	15,657,944	46,366,562	-	147,647,606	100,094,085	247,741,691
Promotional material sales	164,017	-	164,017	-	-	-	-	164,017	-	164,017
Program service fees	16,244,660	163,199	16,407,859	759,298	(127,842)	631,456	(389,859)	16,614,099	35,357	16,649,456
Investment return, net (Note 2)	278,476	535,809	814,285	866,060	585,652	1,451,712	(4,352)	1,140,184	1,121,461	2,261,645
Conferences	179,405	-	179,405		-	-	-	179,405	-	179,405
Miscellaneous and other	1,721,242	-	1,721,242		-	-	-	1,721,242	-	1,721,242
Net assets released from restrictions:	-	-	-		-	-	-	-	-	-
Satisfaction of program restrictions (Note 14)	71,813,868	(71,813,868)	-	11,706,907	(11,706,907)	-	-	83,520,775	(83,520,775)	-
Total revenues	242,828,486	13,321,281	256,149,767	44,040,883	4,408,847	48,449,730	(643,796)	286,225,573	17,730,128	303,955,701
Expenses										
Program services										
Donor advised giving	110,128,410	-	110,128,410	-	-	-	-	110,128,410	-	110,128,410
Impact, strategy and innovation	-	-	-	-	-	-	-	-	-	-
Digital services	24,450,595	-	24,450,595	-	-	-	-	24,450,595	-	24,450,595
U.S. network	61,209,440	-	61,209,440	16,126,693	-	16,126,693	(639,444)	76,696,689	-	76,696,689
Brand strategy and marketing	6,443,664	-	6,443,664	-	-	-	-	6,443,664	-	6,443,664
International network	20,092,911	-	20,092,911	-	-	-	-	20,092,911	-	20,092,911
Investor relations	7,595,078	-	7,595,078	-	-	-	-	7,595,078	-	7,595,078
Other program services	4,123,190	-	4,123,190	-	-	-	-	4,123,190	-	4,123,190
Total program services	234,043,288	-	234,043,288	16,126,693	-	16,126,693	(639,444)	249,530,537	-	249,530,537
Supporting services										
General and administrative	14,238,042	-	14,238,042	4,264,884	-	4,264,884	(4,352)	18,498,574	-	18,498,574
Fundraising	2,973,895	-	2,973,895	2,408,201	-	2,408,201	-	5,382,096	-	5,382,096
Total supporting services	17,211,937	-	17,211,937	6,673,085	-	6,673,085	(4,352)	23,880,670	-	23,880,670
Total expenses	251,255,225	-	251,255,225	22,799,778	-	22,799,778	(643,796)	273,411,207	-	273,411,207
Operating gain, before transfers	(8,426,739)	13,321,281	4,894,542	21,241,105	4,408,847	25,649,952	-	12,814,366	17,730,128	30,544,494
Board designation, appropriations and transfers to operations										
Board designated and transfers to operations	16,603,311	-	16,603,311	2,427,748	-	2,427,748	-	19,031,059	-	19,031,059
Operating gain, after transfers	8,176,572	13,321,281	21,497,853	23,668,853	4,408,847	28,077,700	-	31,845,425	17,730,128	49,575,553
Non-operating items										
Contribution from affiliate	-	-	-	2,898,244	9,513,179	12,411,423	-	2,898,244	9,513,179	12,411,423
Pension-related changes other than net periodic pension cost	(1,971,530)	-	(1,971,530)	(2,369,990)	-	(2,369,990)	-	(4,341,520)	-	(4,341,520)
Endowment/quasi-endowment investment returns	(3,596,357)	(12,016)	(3,608,373)	-	-	-	-	(3,596,357)	(12,016)	(3,608,373)
Endowment/quasi-endowment appropriation	426	(426)	-	-	-	-	-	426	(426)	-
Board designation, appropriations and transfers to operations										
Board designated and transfers to operations	(16,603,311)	-	(16,603,311)	(2,427,748)	-	(2,427,748)	-	(19,031,059)	-	(19,031,059)
Total non-operating items and Board designation	(22,170,772)	(12,442)	(22,183,214)	(1,899,494)	9,513,179	7,613,685	-	(24,070,266)	9,500,737	(14,569,529)
CHANGES IN NET ASSETS	(13,994,200)	13,308,839	(685,361)	21,769,359	13,922,026	35,691,385	-	7,775,159	27,230,865	35,006,024
Net assets, beginning of year	17,076,471	22,621,859	39,698,330	-	-	-	-	17,076,471	22,621,859	39,698,330
Net assets, end of year	$ 3,082,271	$ 35,930,698	$ 39,012,969	$ 21,769,359	$ 13,922,026	$ 35,691,385	$ -	$ 24,851,630	$ 49,852,724	$ 74,704,354