

UNITED WAY OF ANCHORAGE
Financial Statements, Supplementary Information,
and Compliance Reports
(With Independent Auditor's Report Thereon)
Years Ended June 30, 2023 and 2022

UNITED WAY OF ANCHORAGE

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UNITED WAY OF ANCHORAGE

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Independent Auditor's Report

Members of the Board of Directors
United Way of Anchorage
Anchorage, Alaska

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of United Way of Anchorage (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Anchorage as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of Anchorage and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Anchorage's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of United Way of Anchorage's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Anchorage's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information listed in the table of contents as Supplementary Information is presented for purposes of additional analysis and is not a required part of the financial statements. This includes the Schedule of Expenditures of Federal Awards and notes to schedule, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2023, on our consideration of United Way of Anchorage's internal control over financial reporting and on our tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of United Way of Anchorage's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering United Way of Anchorage's internal control over financial reporting and compliance.



Anchorage, Alaska
November 20, 2023

UNITED WAY OF ANCHORAGE

Statement of Financial Position

June 30, 2023

<u>Assets</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Current assets:			
Cash and cash equivalents	\$ 3,975,376	574,934	4,550,310
Investments (note 4)	4,185,209	-	4,185,209
Campaign receivables, net (note 3)	406,421	-	406,421
Grants, contributions and other receivables	797	1,174,998	1,175,795
Prepaid expenses and other assets	147,710	-	147,710
Total current assets	<u>8,715,513</u>	<u>1,749,932</u>	<u>10,465,445</u>
Investments (note 4)	-	1,229,387	1,229,387
Property and equipment, net (note 5)	<u>1,823,490</u>	<u>-</u>	<u>1,823,490</u>
Total assets	<u>\$ 10,539,003</u>	<u>2,979,319</u>	<u>13,518,322</u>
<u>Liabilities and Net Assets</u>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 634,661	-	634,661
Community investments and donor designations payable	1,356,414	-	1,356,414
Refundable advances and deferred contributions	4,229,083	-	4,229,083
PPP loan (note 6)	-	-	-
Tenant security deposits	16,767	-	16,767
Total current liabilities	<u>6,236,925</u>	<u>-</u>	<u>6,236,925</u>
Net assets:			
Without donor restrictions:			
Undesignated	2,264,386	-	2,264,386
Designated for current operations (note 2(b))	214,202	-	214,202
Designated for investment in property and equipment, net of debt	1,823,490	-	1,823,490
Total net assets without donor restriction	<u>4,302,078</u>	<u>-</u>	<u>4,302,078</u>
Perpetual in nature	-	1,272,937	1,272,937
Purpose restrictions	<u>-</u>	<u>1,706,382</u>	<u>1,706,382</u>
Total net assets with donor restriction	<u>-</u>	<u>2,979,319</u>	<u>2,979,319</u>
Total net assets	<u>4,302,078</u>	<u>2,979,319</u>	<u>7,281,397</u>
Total liabilities and net assets	<u>\$ 10,539,003</u>	<u>2,979,319</u>	<u>13,518,322</u>

See accompanying notes to financial statements.

UNITED WAY OF ANCHORAGE

Statement of Financial Position

June 30, 2022

<u>Assets</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Current assets:			
Cash and cash equivalents	\$ 3,240,693	-	3,240,693
Investments (note 4)	4,019,177	-	4,019,177
Campaign receivables, net (note 3)	680,149	-	680,149
Due from public campaigns	60,958	-	60,958
Grants, contributions and other receivables	131,621	2,687,518	2,819,139
Prepaid expenses and other assets	250,606	-	250,606
Total current assets	8,383,204	2,687,518	11,070,722
Investments (note 4)	-	1,173,925	1,173,925
Property and equipment, net (note 5)	1,920,156	-	1,920,156
Total assets	\$ 10,303,360	3,861,443	14,164,803
 <u>Liabilities and Net Assets</u>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 1,778,620	-	1,778,620
Community investments and donor designations payable	1,697,524	-	1,697,524
Refundable advances and deferred contributions	1,971,239	-	1,971,239
PPP loan (note 6)	590,000	-	590,000
Tenant security deposits	17,776	-	17,776
Total current liabilities	6,055,159	-	6,055,159
Net assets:			
Without donor restrictions:			
Undesignated	2,116,757	-	2,116,757
Designated for current operations (note 2(b))	211,288	-	211,288
Designated for investment in property and equipment, net of debt	1,920,156	-	1,920,156
Total net assets without donor restriction	4,248,201	-	4,248,201
With donor restrictions (note 9):			
Perpetual in nature	-	1,157,467	1,157,467
Purpose restrictions	-	2,703,976	2,703,976
Total net assets with donor restriction	-	3,861,443	3,861,443
Total net assets	4,248,201	3,861,443	8,109,644
Total liabilities and net assets	\$ 10,303,360	3,861,443	14,164,803

See accompanying notes to financial statements.

UNITED WAY OF ANCHORAGE

Statement of Activities

Year ended June 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support:			
Campaign results:			
United Way of Anchorage	\$ 3,734,703	202,133	3,936,836
Public campaigns:			
SHARE	1,466	-	1,466
Municipal Employees	161	-	161
Total campaign results	<u>3,736,330</u>	<u>202,133</u>	<u>3,938,463</u>
Less:			
Donor designations	(1,115,706)	(45,135)	(1,160,841)
Uncollectible campaign pledges expense	(174,378)	(17,752)	(192,130)
Net campaign results	<u>2,446,246</u>	<u>139,246</u>	<u>2,585,492</u>
Designations from other United Ways	49,046	-	49,046
Collections of prior year campaign contributions more than amount anticipated	65,435	-	65,435
Donor designation and contracted services fees	258,544	-	258,544
Grants and contributions	30,135	4,881,362	4,911,497
Rental income (note 7)	481,900	-	481,900
Contributed nonfinancial assets	407,766	-	407,766
PPP loan forgiveness	590,000	-	590,000
Investment income, net	352,607	101,404	454,011
Other	78,131	-	78,131
Net assets released from restrictions (note 8)	6,004,136	(6,004,136)	-
Total revenues, gains(loss), and other support	<u>10,763,946</u>	<u>(882,124)</u>	<u>9,881,822</u>
Expenses:			
Program services:			
Education	1,042,488	-	1,042,488
Income and health	3,778,015	-	3,778,015
Community	552,891	-	552,891
COVID-19 community support	46,693	-	46,693
Board-directed community investment	750,000	-	750,000
Grants, sponsorships, and other programs	2,478,992	-	2,478,992
Supporting services:			
Management and general	1,113,766	-	1,113,766
Fundraising	947,224	-	947,224
Total expenses	<u>10,710,069</u>	<u>-</u>	<u>10,710,069</u>
Change in net assets	53,877	(882,124)	(828,247)
Net assets at beginning of year	<u>4,248,201</u>	<u>3,861,443</u>	<u>8,109,644</u>
Net assets at end of year	\$ <u>4,302,078</u>	<u>2,979,319</u>	<u>7,281,397</u>

See accompanying notes to financial statements.

UNITED WAY OF ANCHORAGE

Statement of Activities

Year ended June 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support:			
Campaign results:			
United Way of Anchorage	\$ 3,837,644	281,728	4,119,372
Public campaigns:			
SHARE	6,185	-	6,185
Municipal Employees	622	-	622
Total campaign results	<u>3,844,451</u>	<u>281,728</u>	<u>4,126,179</u>
Less:			
Donor designations	(968,729)	-	(968,729)
Uncollectible campaign pledges expense	<u>(639,621)</u>	<u>-</u>	<u>(639,621)</u>
Net campaign results	<u>2,236,101</u>	<u>281,728</u>	<u>2,517,829</u>
Designations from other United Ways	5,297	-	5,297
Collections of prior year campaign contributions more than amount anticipated	1,500	-	1,500
Donor designation and contracted services fees	439,329	-	439,329
Grants and contributions	56,205	10,257,876	10,314,081
Rental income (note 7)	420,705	-	420,705
Contributed nonfinancial assets	324,947	-	324,947
Investment income (loss), net	(610,401)	(174,914)	(785,315)
Other	58,488	-	58,488
Net assets released from restrictions (note 8)	10,761,340	<u>(10,761,340)</u>	<u>-</u>
Total revenues, gains, and other support	<u>13,693,511</u>	<u>(396,650)</u>	<u>13,296,861</u>
Expenses:			
Program services:			
Education	1,398,370	-	1,398,370
Income and health	3,225,537	-	3,225,537
Community	580,159	-	580,159
COVID-19 community support	6,445,217	-	6,445,217
Board-directed community investment	1,170,000	-	1,170,000
Grants, sponsorships, and other programs	1,209,661	-	1,209,661
Supporting services:			
Management and general	1,125,398	-	1,125,398
Fundraising	1,017,154	-	1,017,154
Total expenses	<u>16,171,496</u>	<u>-</u>	<u>16,171,496</u>
Change in net assets	(2,477,985)	(396,650)	(2,874,635)
Net assets at beginning of year	<u>6,726,186</u>	<u>4,258,093</u>	<u>10,984,279</u>
Net assets at end of year	\$ <u><u>4,248,201</u></u>	<u><u>3,861,443</u></u>	<u><u>8,109,644</u></u>

See accompanying notes to financial statements.

UNITED WAY OF ANCHORAGE

Statement of Functional Expenses

Year ended June 30, 2023

	Program services				Supporting services			Total
	Education	Income and Health	Community	Total	Management and General	Fundraising	Total	
Employee compensation:								
Salaries	\$ 201,989	1,204,551	68,309	1,474,849	1,426,419	266,024	1,692,443	3,167,292
Payroll taxes and fringe benefits	39,415	381,968	12,006	433,389	399,039	62,093	461,132	894,521
Total employee compensation	241,404	1,586,519	80,315	1,908,238	1,825,458	328,117	2,153,575	4,061,813
Professional fees	18,370	1,081,723	6,696	1,106,789	274,483	59,802	334,285	1,441,074
Building operating expenses, including depreciation of \$87,996	-	-	439,372	439,372	-	-	-	439,372
Supplies	8,366	26,407	1,196	35,969	13,524	16,594	30,118	66,087
Occupancy expenses	18,434	130,005	21,400	169,839	86,331	21,523	107,854	277,693
Awards and publicity	1,823	395,369	37	397,229	81,126	40,220	121,346	518,575
Equipment rental and repairs	36,927	25,665	-	62,592	50,303	10,727	61,030	123,622
Membership dues	635	14,154	66	14,855	192,784	12,731	205,515	220,370
Conferences, conventions, meetings, and major trips	8,640	8,422	643	17,705	17,420	3,100	20,520	38,225
Gaming expenses	-	-	-	-	628	6,468	7,096	7,096
Local transportation and meals	4,616	11,267	1,106	16,989	20,065	8,884	28,949	45,938
Depreciation	-	-	-	-	8,670	-	8,670	8,670
Banking fees	-	-	-	-	16,161	16,191	32,352	32,352
Telephone	-	36,461	2,020	38,481	23,516	-	23,516	61,997
Insurance	-	106	-	106	26,251	-	26,251	26,357
Postage and shipping	358	1,168	40	1,566	1,286	3,232	4,518	6,084
Distribution of allocable expenses	702,001	407,474	-	1,109,475	(1,524,790)	415,315	(1,109,475)	-
Other	914	53,275	-	54,189	550	4,320	4,870	59,059
Expenses before board-directed community investment and grants, sponsorships, and other programs	1,042,488	3,778,015	552,891	5,373,394	1,113,766	947,224	2,060,990	7,434,384
COVID-19 community support	-	-	46,693	46,693	-	-	-	46,693
Board-directed community investment	390,000	360,000	-	750,000	-	-	-	750,000
Grants, sponsorships and other programs	9,436	2,463,897	-	2,473,333	5,569	90	5,659	2,478,992
Total program and supporting services	\$ 1,441,924	6,601,912	599,584	8,643,420	1,119,335	947,314	2,066,649	10,710,069

See accompanying notes to financial statements.

UNITED WAY OF ANCHORAGE

Statement of Functional Expenses

Year ended June 30, 2022

	Program services				Supporting services			Total
	Education	Income and Health	Community	Total	Management and General	Fundraising	Total	
Employee compensation:								
Salaries	\$ 303,461	880,644	102,096	1,286,201	1,443,369	352,192	1,795,561	3,081,762
Payroll taxes and fringe benefits	69,736	257,156	24,474	351,366	251,348	97,062	348,410	699,776
Total employee compensation	373,197	1,137,800	126,570	1,637,567	1,694,717	449,254	2,143,971	3,781,538
Professional fees	284,940	1,145,988	66,183	1,497,111	402,141	27,509	429,650	1,926,761
Building operating expenses, including depreciation of \$87,996	-	-	366,356	366,356	(6,546)	-	(6,546)	359,810
Supplies	28,110	29,411	-	57,521	6,624	13,579	20,203	77,724
Occupancy expenses	32,563	102,541	18,178	153,282	86,157	35,117	121,274	274,556
Awards and publicity	-	372,597	1,670	374,267	75,041	5,594	80,635	454,902
Equipment rental and repairs	461	7,236	-	7,697	56,020	6,087	62,107	69,804
Membership dues	191	762	549	1,502	179,366	15,509	194,875	196,377
Conferences, conventions, meetings, and major trips	1,108	2,486	-	3,594	24,772	2,142	26,914	30,508
Gaming expenses	-	-	-	-	-	2,262	2,262	2,262
Local transportation and meals	3,072	2,846	-	5,918	3,337	3,013	6,350	12,268
Interest	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	9,424	-	9,424	9,424
Banking fees	-	-	100	100	25,392	20,748	46,140	46,240
Telephone	-	28,866	-	28,866	23,041	-	23,041	51,907
Insurance	-	-	-	-	36,646	-	36,646	36,646
Postage and shipping	485	7,649	98	8,232	5,078	2,594	7,672	15,904
Distribution of allocable expenses	674,243	385,282	455	1,059,980	(1,493,422)	433,442	(1,059,980)	-
Other	-	2,073	-	2,073	(2,390)	304	(2,086)	(13)
Expenses before board-directed community investment and grants, sponsorships, and other programs	1,398,370	3,225,537	580,159	5,204,066	1,125,398	1,017,154	2,142,552	7,346,618
COVID-19 community support	3,193,000	1,263,248	1,988,969	6,445,217	-	-	-	6,445,217
Board-directed community investment	605,304	564,696	-	1,170,000	-	-	-	1,170,000
Grants, sponsorships and other programs	6,759	1,202,902	-	1,209,661	-	-	-	1,209,661
Total program and supporting services	\$ 5,203,433	6,256,383	2,569,128	14,028,944	1,125,398	1,017,154	2,142,552	16,171,496

See accompanying notes to financial statements.

UNITED WAY OF ANCHORAGE

Statements of Cash Flows

June 30, 2023 and 2022

	2023	2022
Cash flows provided (used) by operating activities:		
Change in net assets	\$ (828,247)	(2,874,635)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	96,666	97,420
Bad debt expense	192,130	639,621
Net realized and unrealized investment (gain) loss	(347,451)	842,626
Forgiveness of debt from PPP loan	(590,000)	-
Changes in assets and liabilities that provided (used) cash:		
Campaign receivables	81,598	63,702
Due from public campaigns	60,958	(23,875)
Grants and contributions receivable	1,643,344	(1,403,997)
Prepaid expenses and other assets	102,896	(230,645)
Accounts payable and accrued liabilities	(1,143,959)	152,222
Allocations payable and donor designation payable	(341,110)	(159,035)
Deferred grant and contribution revenue	2,257,844	(383,825)
Tenant security deposits	(1,009)	1,018
Net cash provided (used) by provided by operating activities	1,183,660	(3,279,403)
Cash flows provided (used) by investing activities:		
Purchase of capital assets	-	(24,024)
Sale of investments	1,021,180	735,182
Purchase of investments	(895,223)	(860,617)
Net cash provided (used) by investing activities	125,957	(149,459)
Cash flows provided (used) by financing activities:		
Principal payments on long-term debt	-	(5,463)
Change in cash and cash equivalents	1,309,617	(3,434,325)
Cash and cash equivalents at beginning of year	3,240,693	6,675,018
Cash and cash equivalents at end of year	\$ 4,550,310	3,240,693
Supplemental disclosure of cash flow information:		
Contributed nonfinancial assets	\$ 407,766	324,947

See accompanying notes to financial statements.

UNITED WAY OF ANCHORAGE

Notes to Financial Statements

Years Ended June 30, 2023 and 2022

(1) Nature of Operations

United Way of Anchorage (United Way) is a nonprofit fund-raising, fund distribution, and community service agency. United Way unites caring people to give, volunteer, and take action to remove barriers to opportunity and solve their community's toughest challenges. The Organization's focus is on education, financial stability, and health, the building blocks for a good quality of life and a strong community.

(2) Summary of Significant Accounting Policies

(a) Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the 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, gains, support, and expenses during the reporting period. Actual results could differ from those estimates.

(b) Basis of Presentation

The accompanying financial statements of United Way are presented on the accrual basis of accounting. They include the financial activities of the United Way Campaign and United Way's share of the activities of the Fall 2022 and 2021 Campaigns: SHARE and Municipal Employee.

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve of \$214,202 and \$211,288, respectively, as of June 30, 2023 and 2022.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

UNITED WAY OF ANCHORAGE

Notes to Financial Statements, Continued

The board of directors designates a portion of United Way's cumulative investment return for support of current operations; the remainder is retained to support operations of future years and to offset potential market declines. The amount computed under the endowment spending policy of the investment pool and all investment income earned by investing cash in excess of daily requirements are used to support current operations.

(c) Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits, money market mutual funds, and all short-term highly liquid debt instruments purchased with an original maturity of three months or less.

United Way maintains its cash in major financial institutions which are insured by the Federal Deposit Insurance Corporation (FDIC). The FDIC insurance coverage at June 30, 2023 and 2022 was \$250,000 per financial institution. Uninsured and uncollateralized amounts were \$2,737,285 and \$2,152,069 at June 30, 2023 and 2022, respectively. Management believes that credit risk related to these deposits is minimal.

(d) Investments

Investments are recorded as purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

(e) Fair Value of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique.

(f) Property and Equipment

Property and equipment are recorded at cost. United Way capitalizes all equipment and buildings with a cost or basis in excess of \$5,000. Building depreciation is computed using the straight-line method over an estimated useful life of approximately 40 years. Equipment is recorded at cost or fair value, if donated, net of depreciation computed using the straight-line method over an estimated useful life of five years.

(g) Promises to Give, Donor Designations and Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

UNITED WAY OF ANCHORAGE

Notes to Financial Statements, Continued

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Organization received cost-reimbursable grants that have not been recognized as revenue at June 30, 2023 and 2022 because qualifying expenditures have not yet been incurred, with advance payments of \$4,177,681 and \$1,919,239 recognized in the statement of financial position as refundable advances as of June 30, 2023 and 2022, respectively. The Organization also receives advanced payment for corporate matches to future campaigns. As of June 30, 2023 and 2022 United Way of Anchorage had deferred contributions of \$51,402 and \$52,000.

Contributions from campaigns are recorded as revenue when United Way is notified in writing of an unconditional pledge. Donor designations are recognized as a receivable and a payable at the time the pledge is made to United Way and are not included in net campaign results.

Annual campaigns are predominantly conducted in the fall. The total results from the annual campaign are reduced by promises to give collected on behalf of others (donor designations) and by a provision for amounts promised but not paid (uncollectible promises to give).

Differences between amounts provided for uncollectible promises to give in each campaign and actual losses are an accounting adjustment in the year following the campaign.

(h) *Distribution of Donor Designations to Non-Profit Agencies*

Distribution of donor designated pledge receipts to agencies of the United Way of Anchorage federation are made in accordance with the donor intent and in compliance with each campaign's regulations. At minimum, distributions are made to each member organization by distributing a proportionate share of receipts based on donor designations to each agency.

(i) *Provision for Uncollectible Promises to Give*

Campaign pledges less the allowance for uncollectible pledges are expected to be received within one year. The provision for uncollectible promises to give is an estimate based on management's evaluation of the collectability of existing promises to give. The provision is based on the prior campaign collection experience. Pledges are charged off when all collection efforts have been exhausted.

(j) *Contributions of Nonfinancial Assets*

A substantial number of unpaid volunteers have made significant contributions of their time to participate in fundraising activities. The value of these donated services is not reflected in these financial statements since it is not susceptible to objective measurement or valuation.

UNITED WAY OF ANCHORAGE

Notes to Financial Statements, Continued

Contributions of professional services and other items are recognized as revenue at the time of the donation. If fair value is not readily available, an estimated fair value is used. These contributions of nonfinancial assets are reported as revenue and expense on the appropriate line item in the financial statements. United Way of Anchorage does not monetize contributed nonfinancial assets.

United Way's office rent is contributed by its lessor and was recorded at fair value as of the beginning of the lease term. Contributed rent amounted to \$275,838 in 2023 and \$272,857 in 2022.

In-kind contributions are allocated to programs based on program use:

June 30, 2023	Education	Income and Health	Community	Management and General	Fundraising	Total
Professional fees	\$ -	27,432	-	589	902	28,923
Supplies	(52)	705	41	268	2,228	3,190
Occupancy expenses	18,434	128,151	21,400	86,330	21,523	275,838
Awards and publicity	-	32,347	19	-	38,516	70,882
Equipment rental and repairs	25,675	-	-	258	-	25,933
Telephone	-	3,000	-	-	-	3,000
Total	\$ 44,057	191,635	21,460	87,445	63,169	407,766

June 30, 2022	Education	Income and Health	Community	Management and General	Fundraising	Total
Professional fees	\$ -	4,965	-	10,516	5,400	20,881
Supplies	41	3,045	-	687	1,810	5,583
Occupancy expenses	32,564	100,841	18,178	86,157	35,117	272,857
Awards and publicity	-	21,350	167	1,385	-	22,902
Equipment rental and repairs	-	447	-	27	-	474
Telephone	-	2,250	-	-	-	2,250
Total	\$ 32,605	132,898	18,345	98,772	42,327	324,947

(k) Income Taxes

United Way is a tax-exempt nonprofit organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is included in the financial statements. United Way earns unrelated business income through rental of commercial space. United Way's income tax liability related to the debt-financed income is not material to the financial statements. United Way's policy is to report interest and penalties associated with uncertain tax positions as income tax expense. As of June 30, 2023 and 2022 there were no uncertain tax positions, or unrecognized tax benefits for which management believes it is reasonably possible that the total amounts of tax contingencies will significantly increase or decrease within 12 months of the reporting date. With few exceptions, United Way is no longer subject to examinations by the federal and state authorities for the years before June 30, 2020.

UNITED WAY OF ANCHORAGE

Notes to Financial Statements, Continued

(l) Functional Allocation of Expenses

United Way allocates total costs to the various functional expense categories. This allocation is based on actual costs incurred by functional expense category except common costs. Common costs, such as office rent, utilities and office supplies, are allocated primarily on the number of employees in each respective functional expenses category. The Organization's expenses are allocated to the following functional programs:

Program services:

Education – United Way leads partnerships that strategically support the most at-risk students in the Anchorage community.

Income and Health – United Way is working with partners across all sectors of the Anchorage community developing and implementing programs with the goal being that all Anchorage residents are housed, financially stable and have the opportunity to increase their income and save for their future. When individuals or families are in financially precarious positions their health is impacted as well as their opportunities – being unable to afford healthcare or education options that could advance their career can keep them from achieving financial stability.

Community – United Way of Anchorage engages in a variety of activities aimed at fostering collaboration to achieve shared common goals and derive measurable improvements for the Anchorage community.

Support services:

Management and General – Includes United Way's functions necessary to maintain an adequate working environment; provide coordination of the programs; secure proper administrative functioning of the Board of Directors; and manage the financial and budgetary responsibilities of the Organization.

Fundraising – Provides the structure necessary to encourage and secure private financial support from individuals, foundations, and corporations.

(m) Advertising Costs

Advertising costs are expensed as incurred. Advertising expenses for the years ended June 30, 2023 and 2022 were \$517,467 and \$451,551, respectively.

(3) Campaign Receivables

A summary of campaign receivables at June 30 follows:

	2023	2022
Fall 2022 and 2021	\$ 881,546	1,009,434
SHARE	24,090	6,185
Municipal Employees	4,475	622
	<u>910,111</u>	<u>964,241</u>
Less allowance for uncollectible pledges	<u>(503,690)</u>	<u>(336,092)</u>
	<u>\$ 406,421</u>	<u>680,149</u>

UNITED WAY OF ANCHORAGE

Notes to Financial Statements, Continued

(4) Investments

Fair market value summary of investments at June 30 follows:

	<u>2023</u>	<u>2022</u>
Equities:		
Large value	\$ 1,119,243	1,017,112
Large growth	377,347	321,117
Large blend	421,931	359,081
Mid cap blend	364,715	318,662
Small blend	274,519	255,409
Real estate	153,951	164,980
Multisector bond	16,816	17,394
Non-traditional bond	8,582	8,862
Diversified emerging markets	219,018	209,589
International equities:		
Large value	246,541	219,785
Large growth	300,976	255,341
Fixed income:		
Corporate bonds	1,869,291	2,004,112
Treasury bonds	19,284	19,384
Municipal bonds	5,932	5,816
Beneficial interest in Alaska		
Community Foundation	16,450	16,458
Total investments	\$ <u>5,414,596</u>	<u>5,193,102</u>

A fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The fair value of all of United Way's investments are measured using Level 1 inputs with the exception of the beneficial interest in Alaska Community Foundation which is measured using Level 2 inputs.

UNITED WAY OF ANCHORAGE

Notes to Financial Statements, Continued

(5) Property and Equipment

A summary of property and equipment at June 30 follows:

	<u>2023</u>	<u>2022</u>
Land	\$ 351,388	351,388
Buildings	3,140,780	3,140,780
Office equipment and furniture	<u>323,532</u>	<u>323,532</u>
	3,815,700	3,815,700
Accumulated depreciation	<u>(1,992,210)</u>	<u>(1,895,544)</u>
	<u>\$ 1,823,490</u>	<u>1,920,156</u>

Depreciation expense for the years ended June 30, 2023 and 2022 was \$96,666 and \$97,420, respectively.

(6) Paycheck Protection Program (PPP) Loan

On March 27, 2020, the Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law. The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of the employer share of social security payments, and net operating loss carryback periods. It also appropriated funds for the SBA Paycheck Protection Program (PPP) loans that are forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to nonprofits harmed by COVID-19. In 2021 the organization received a second PPP loan of \$590,000, which is recorded as debt on the Statement of Financial Position for the year ended June 30, 2022. The loan can be forgiven once all conditions have been met, at which point a gain will be recognized once the application has been approved and the loan has formally been released. The full balance of the PPP loan in the amount of \$590,000 was officially forgiven in September 2022, which was recorded as PPP loan forgiveness on the Statement of Activities for the year ended June 30, 2023.

(7) Operating Leases

United Way leases office space to other not-for-profit organizations. The organizations lease the space for an annual rent below the estimated fair value of the rent at the inception of the lease. The difference between the estimated fair value and rent received for the remaining term of the lease agreement for each tenant is recorded as a contribution payable. The carrying value of the building held for lease was \$1,797,813 and \$1,885,809 at June 30, 2023 and 2022, respectively. Rent revenue is being recognized at the fair value over the term of the lease agreements. During the years ended June 30, 2023 and 2022, United Way recognized \$481,900 and \$420,705, respectively, in rental income, of which \$173,928 and \$98,880, respectively, represents the difference between the amount received and the estimated fair value.

Minimum annual rental payments due under non-cancelable operating leases for the period subsequent to June 30, 2023 are as follows:

Year ending June 30:	<u>Amount</u>
2024	\$ 102,270
2025	<u>26,542</u>
	<u>\$ 128,812</u>

UNITED WAY OF ANCHORAGE

Notes to Financial Statements, Continued

(8) Net Assets with Donor Restrictions

Net assets with donor restrictions at June 30 restricted as to use consisted of the following:

	2023	2022
Points of Light	\$ 8,178	8,178
Settlement Fund	8,196	-
Walk for Warmth	6,451	7,220
Kickoff Event	12,494	21,355
2-1-1 Call Center Operations	557,220	544,485
Donations to AK 211 Website	-	5,018
ACF - Homelessness	263	276
Nicole Laurel Cuddy Foundation - Homelessness	-	3,000
Education Initiatives	136,421	366,376
Donations - Fighting Homelessness	308,856	252,604
Cradle to Career	56,717	3,489
C2C ACF SJ Family Council	-	10,000
Reading Oasis	-	11,345
CP-90% by 2020 Plus Schools	-	58,024
ACF Prevent Homelessness	1,886	1,856
ACF UWA Education	787	799
Alaska Community Foundation	182	194
Providence - Landlord Liaison	154,455	60,956
Providence - Landlord Risk Pool	-	49,999
Providence - Homelessness - Financial Network	-	45,000
Stutzer Back on Track	87,303	66,507
FNBA Education	-	21,234
Rasmusson 90% by 2020	-	950
Janet Weiss Education Opportunity	40,244	21,244
Matson Corp. 90% by 2020	-	4,417
Alyeska and Russian Jack	-	7,338
Anchorage CARES	-	1,949
AK Can Do	-	39,198
Rasmuson Pay for Success Supportive Housing Grant	-	775,735
PEW Charitable Trusts 211	-	5,882
Muni Outcome	303,000	303,000
ARPA Muni Restaurant	-	6,348
FY23 Restaurant and Hunger Relief	23,729	-
	<u>\$ 1,706,382</u>	<u>2,703,976</u>

Net assets with donor restrictions that are perpetual in nature at June 30, 2023 and 2022 consist of the Lucy Cuddy Endowment with a balance of \$1,272,937 and \$1,157,467, respectively. Earnings on the endowment are reported as “with donor restrictions” until the balance of the corpus reaches \$1,000,000; at which time the earnings can be considered without donor restrictions. The board approves earnings to be released from restrictions as part of the annual budgeting process.

UNITED WAY OF ANCHORAGE

Notes to Financial Statements, Continued

Net assets of \$6,004,136 in 2023 and \$10,761,340 in 2022 were released from donor restriction by the passage of time or satisfying purposes designated by the donor.

(9) Contingencies

Amounts received or receivable from grantors are subject to audit and adjustment. Any disallowed claims, including amounts already collected, would become a liability of United Way. However, management believes that such claims, if any, would not be significant.

(10) Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$	3,975,376
Campaign receivables, net		406,421
Grants, contributions and other receivables		797
Operating investments		4,185,209
	\$	<u>8,567,803</u>

United Way's endowment fund consists of a donor-restricted endowment. Income from the donor-restricted endowment is released from restrictions by the board as part of the annual budgeting process.

As part of United Way's liquidity management plan, cash is invested in excess of daily requirements in short-term investments, CDs, and money market funds. Occasionally, the Board designates a portion of any operating surplus to its operating reserve, which was \$214,202 as of June 30, 2023

(11) Grants

A summary of governmental and local grant revenue for the years ended June 30, 2023 and 2022 follows:

	<u>2023</u>	<u>2022</u>
Federal	\$ 3,210,720	9,286,396
State of Alaska	105,528	466,783
Local	<u>1,595,249</u>	<u>560,902</u>
Total grants and contributions	<u>\$ 4,911,497</u>	<u>10,314,081</u>

(12) Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

(13) Subsequent Events

Management has evaluated subsequent events through November 20, 2023, the date which the financial statements were available for issue.

UNITED WAY OF ANCHORAGE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2023

Grantor/Program Name	Grant Number or Pass-through Entity Identifying Number	Assistance Listing Number	Total Grant Amount	Passed through to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services:					
Direct:					
Social Services Research and Demonstration	90XP0456	93.647	\$ 1,000,000	-	394,030
Cooperative Agreement to Support Navigators in Federally-Facilitated Exchanges	CA-NAV-21-001	93.332	1,250,000	-	170,271
Cooperative Agreement to Support Navigators in Federally-Facilitated Exchanges	NAVCA2104-12	93.332	1,500,000	-	1,152,971
Total ALN 93.332			<u>2,750,000</u>	<u>-</u>	<u>1,323,242</u>
Total U.S. Department of Health and Human Services			<u>3,750,000</u>	<u>-</u>	<u>1,717,272</u>
U.S. Department of Housing and Urban Development:					
Direct -					
Pay for Success Permanent Supportive Housing Demonstration	AK500PFS03	14.273	1,408,130	-	2,321
Passed through Municipality of Anchorage:					
COVID Landlord Liaison Project	RRH-21-UW-013	14.231	175,000	-	54,055
Total U.S. Department of Housing and Urban Development			<u>1,583,130</u>	<u>-</u>	<u>56,376</u>
Corporation for National and Community Service - Passed through Alaska Department of Commerce, Community and Economic Development - AmeriCorps State					
	21AFIAK001	94.006	39,197	-	39,197
U.S. Department of Homeland Security -					
Direct -					
Emergency Food and Shelter National Board Program	None	97.024	2,500,000	250,000	394,992
U.S. Department of the Treasury:					
Passed through Municipality of Anchorage:					
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (Municipality of Anchorage Restaurant and Hunger Relief Program)	AM2022-178(S)	21.027	750,000	712,500	750,000
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (Landlord Housing Partnership)	ARPA AR2022-178(S)	21.027	600,000	-	252,883
Total ALN 21.027			<u>1,350,000</u>	<u>712,500</u>	<u>1,002,883</u>
Total U.S. Department of the Treasury			<u>1,350,000</u>	<u>712,500</u>	<u>1,002,883</u>
Total expenditures of federal awards			<u>\$ 9,222,327</u>	<u>962,500</u>	<u>3,210,720</u>

See accompanying notes to the Schedule.

UNITED WAY OF ANCHORAGE

Notes to Schedule of Expenditures of Federal Awards

June 30, 2023

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of United Way of Anchorage under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of United Way of Anchorage, it is not intended to and does not present the financial statements of United Way of Anchorage.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. United Way of Anchorage has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3. Passed Through Awards

The following amounts were passed through to subrecipients:

ALN#21.027:	
COVID-19 ARPA (Municipality of Anchorage Restaurant and Hunger Relief Program)	\$ <u>712,500</u>
ALN#97.024:	
Emergency Food and Shelter National Board Program	\$ <u>250,000</u>

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

Independent Auditor's Report

Members of the Board of Directors
United Way of Anchorage
Anchorage, Alaska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of United Way of Anchorage (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated November 20, 2023.

Report on Internal Control over Financial Reporting

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

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

Members of the Board of Directors
United Way of Anchorage

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Anchorage, Alaska
November 20, 2023

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Independent Auditor's Report

Members of the Board of Directors
United Way of Anchorage
Anchorage, Alaska

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited United Way of Anchorage's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of United Way of Anchorage's major federal programs for the year ended June 30, 2023. United Way of Anchorage's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, United Way of Anchorage complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (Government Auditing Standards); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of United Way of Anchorage and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of United Way of Anchorage's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to United Way of Anchorage's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on United Way of Anchorage's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about United Way of Anchorage's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding United Way of Anchorage's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of United Way of Anchorage's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of United Way of Anchorage's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Altman, Rogers & Co.

Anchorage, Alaska
November 20, 2023

UNITED WAY OF ANCHORAGE

Schedule of Findings and Questioned Costs

Year Ended June 30, 2023

Section I – Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Is a going concern emphasis-of-matter paragraph included in the audit report?

___ yes X no

Internal control over financial reporting:

Material weakness(es) identified?

___ yes X no

Significant deficiency(ies) identified?

___ yes X none reported

Noncompliance material to financial statements noted?

___ yes X no

Federal Awards

Internal control over major programs (2 CFR 200.516 (a)(1))?

Material weakness(es) identified:

___ yes X no

Significant deficiency(ies) identified:

___ yes X none reported

Any material noncompliance with provisions of laws, regulations, contracts, or grant agreements related to a major program (2 CFR 200.516 (a)(2))?

___ yes X none reported

Type of auditor’s report issued on compliance for major programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, 2 CFR 200.516 (a)(3) or (4)?

___ yes X no

Identification of major programs:

Assistance Listing Number(s)

21.027

97.024

Name of Federal Program

Coronavirus State and Local Fiscal Recovery Funds

Emergency Food and Shelter National Board Program

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

X yes ___ no

UNITED WAY OF ANCHORAGE

Schedule of Findings and Questioned Costs, Continued

Section II – Financial Statement Findings

United Way of Anchorage did not have any findings that related to the financial statements.

Section III – Federal Award Findings and Questioned Costs

United Way of Anchorage did not have any findings that related to the federal awards.



United Way of Anchorage

Status of Prior Year Audit Finding

June 30, 2023

Federal Award Findings

Finding 2022-001

Late Reporting and Noncompliance with Reporting Requirements

Federal Agency: U.S. Department of Health and Human Services passed through Municipality of Anchorage

Federal Program: Epidemiology and Laboratory Capacity for Infectious Diseases

Assistance Listing Number: 93.323

Award Number: No federal identifying number.

Award Year: 2022

Type of Finding: Significant deficiency in internal control over compliance and noncompliance.

Condition and Context: The Organization was unable to provide documentation demonstrating compliance with any of the reporting requirements of the grant.

Status: This finding has been resolved.