

UNITED WAY OF CENTRAL MARYLAND, INC.

**Financial Statements Together with
Report of Independent Public Accountants**

For the Years Ended June 30, 2021 and 2020



S B & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

JUNE 30, 2021 AND 2020

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors
United Way of Central Maryland, Inc.

Report on the Financial Statements

We have audited the accompanying statements of financial position of United Way of Central Maryland, Inc. (UWCM) as of June 30, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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



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

Opinion

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

Owings Mills, Maryland
December 1, 2021

S B & Company, LLC

UNITED WAY OF CENTRAL MARYLAND, INC.

**Statements of Financial Position
As of June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 15,826,671	\$ 2,122,212
Pledges receivable, net	6,416,076	7,556,694
Grants receivable, net	524,900	707,019
Prepaid expenses and other assets	1,142,718	967,442
Investments, at fair value	28,002,156	19,345,197
Property, plant, and equipment, net	1,683,491	1,500,109
Beneficial Interest in Charitable Trust	6,594,530	5,733,075
Total Assets	<u>\$ 60,190,542</u>	<u>\$ 37,931,748</u>
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 2,595,145	\$ 1,547,047
Deferred rent	1,004,609	1,093,102
Allocations and other distributions payable	2,775,349	2,055,455
Notes payable	-	3,569,042
Retirement benefits payable	436,158	291,061
Designations payable	3,608,237	3,974,766
Total Liabilities	<u>10,419,498</u>	<u>12,530,473</u>
Net Assets		
Without donor restrictions	38,168,644	12,166,726
With donor restrictions	11,602,400	13,234,549
Total Net Assets	<u>49,771,044</u>	<u>25,401,275</u>
Total Liabilities and Net Assets	<u>\$ 60,190,542</u>	<u>\$ 37,931,748</u>

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

UNITED WAY OF CENTRAL MARYLAND, INC.

Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2021, with Comparative Totals for 2020

	2021					Total	2020 Totals
	Without Donor Restrictions			Total Without Donor Restrictions	With Donor Restrictions		
	Operating	Plant	Board Designated				
Public support and other revenue							
Campaign pledges and contributions							
Pledges and contributions	\$ 16,605,152	\$ -	\$ -	\$ 16,605,152	\$ 434,600	\$ 17,039,752	\$ 20,227,288
Provision for bad debt	(858,895)	-	-	(858,895)	(17,384)	(876,279)	(813,055)
Donor designations to outside agencies	(6,322,117)	-	-	(6,322,117)	(57,840)	(6,379,957)	(8,450,892)
Net Assets released from restrictions							
Satisfaction of restricted pledges and contributions	1,281,284	-	-	1,281,284	(1,281,284)	-	-
Satisfaction of restricted donor designation	(404,290)	-	-	(404,290)	404,290	-	-
Total public support	10,301,134	-	-	10,301,134	(517,618)	9,783,516	10,963,341
Other revenue							
Grant income	6,793,699	-	-	6,793,699	244,719	7,038,418	3,209,547
PPP loan forgiveness	3,569,042	-	-	3,569,042	-	3,569,042	-
Community initiatives	20,150,925	-	-	20,150,925	-	20,150,925	2,494,946
Investment income, net	105	-	263,151	263,256	16,113	279,369	248,712
Realized net gain on investments	-	-	953,459	953,459	110,670	1,064,129	873,308
Unrealized net gain (loss) on investments	-	-	4,064,710	4,064,710	36,282	4,100,992	(89,794)
In-kind revenue	775,177	-	-	775,177	-	775,177	1,123,750
Other income, net	1,125,509	-	130,690	1,256,199	860,528	2,116,727	3,486,156
Net Assets released from restrictions							
Satisfaction of restricted grants	2,382,843	-	-	2,382,843	(2,382,843)	-	-
Total other revenue	34,797,300	-	5,412,010	40,209,310	(1,114,531)	39,094,779	11,346,625
Total public support and other revenue	45,098,434	-	5,412,010	50,510,444	(1,632,149)	48,878,295	22,309,966
Expenses							
Program support							
Impact Strategies:							
Allocations and other distributions	2,219,998	-	-	2,219,998	-	2,219,998	3,756,788
Grant expenses	2,052,586	-	-	2,052,586	-	2,052,586	2,442,610
In-kind	775,177	-	-	775,177	-	775,177	1,123,750
Impact strategies - payroll and other expenses	9,709,065	90,827	-	9,799,892	-	9,799,892	6,077,092
Neighborhood Zone	1,320,301	-	-	1,332,033	-	1,332,033	825,878
Information and referral	2,080,442	52,499	-	2,132,941	-	2,132,941	1,616,391
United Way Worldwide membership	227,822	-	-	227,822	-	227,822	179,690
Total program support	18,385,391	155,058	-	18,540,449	-	18,540,449	16,022,199
Support services							
Organizational administration	2,102,863	33,117	-	2,135,980	-	2,135,980	2,011,443
Resource development and endowment	3,646,191	68,544	-	3,714,735	-	3,714,735	3,525,451
United Way Worldwide membership	117,363	-	-	117,363	-	117,363	92,568
Total support services	5,866,417	101,661	-	5,968,078	-	5,968,078	5,629,462
Total expenses	24,251,808	256,719	-	24,508,527	-	24,508,527	21,651,661
Changes in net assets before transfers	20,846,626	(256,719)	5,412,010	26,001,917	(1,632,149)	24,369,768	658,305
Transfers							
Equipment purchases	(9,296)	9,296	-	-	-	-	-
Distribution of income	(3,076,599)	-	3,076,599	-	-	-	-
Total transfers	(3,085,895)	9,296	3,076,599	-	-	-	-
Changes in net assets	17,760,731	(247,423)	8,488,609	26,001,917	(1,632,149)	24,369,768	658,305
Net assets, beginning of year	(5,082,819)	1,500,109	15,749,437	12,166,727	13,234,549	25,401,276	24,742,970
Net assets, End of Year	\$ 12,677,912	\$ 1,252,686	\$ 24,238,046	\$ 38,168,644	\$ 11,602,400	\$ 49,771,044	\$ 25,401,275

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

UNITED WAY OF CENTRAL MARYLAND, INC.

Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2020

	Without Donor Restrictions				With Donor Restrictions	Total
	Operating	Plant	Board Designated	Total Without Donor Restrictions		
Public support and other revenue						
Campaign pledges and contributions						
Pledges and contributions	\$ 17,728,617	\$ -	\$ -	\$ 17,728,617	\$ 2,498,671	\$ 20,227,288
Provision for bad debt	(711,108)	-	-	(711,108)	(101,947)	(813,055)
Donor designations to outside agencies	(7,240,202)	-	-	(7,240,202)	(1,210,690)	(8,450,892)
Net Assets released from restrictions						
Satisfaction of restricted pledges and contributions	858,581	-	-	858,581	(858,581)	-
Satisfaction of restricted donor designation	(331,200)	-	-	(331,200)	331,200	-
Total public support	<u>10,304,688</u>	<u>-</u>	<u>-</u>	<u>10,304,688</u>	<u>658,653</u>	<u>10,963,341</u>
Other revenue						
Grant income	2,879,658	-	-	2,879,658	329,889	3,209,547
Community initiatives	737,770	-	-	737,770	1,757,176	2,494,946
Investment income, net	3	-	229,334	229,337	19,375	248,712
Realized net gain on investments	-	-	795,829	795,829	77,479	873,308
Unrealized net (loss) on investments	-	-	(79,235)	(79,235)	(10,559)	(89,794)
In-kind revenue	1,123,750	-	-	1,123,750	-	1,123,750
Other income, net	1,181,453	-	114,192	1,295,645	2,190,511	3,486,156
Net Assets released from restrictions						
Satisfaction of restricted grants	864,930	-	-	864,930	(864,930)	-
Total other revenue	<u>6,787,564</u>	<u>-</u>	<u>1,060,120</u>	<u>7,847,684</u>	<u>3,498,941</u>	<u>11,346,625</u>
Total public support and other revenue	<u>17,092,252</u>	<u>-</u>	<u>1,060,120</u>	<u>18,152,372</u>	<u>4,157,594</u>	<u>22,309,966</u>
Expenses						
Program support						
Impact Strategies:						
Allocations and other distributions	3,756,788	-	-	3,756,788	-	3,756,788
Grant expenses	2,442,610	-	-	2,442,610	-	2,442,610
In-kind	1,123,750	-	-	1,123,750	-	1,123,750
Impact strategies - payroll and other expenses	5,963,315	113,777	-	6,077,092	-	6,077,092
The Ben Center	789,235	36,643	-	825,878	-	825,878
Information and referral	1,564,044	52,347	-	1,616,391	-	1,616,391
United Way Worldwide membership	179,690	-	-	179,690	-	179,690
Total program support	<u>15,819,432</u>	<u>202,767</u>	<u>-</u>	<u>16,022,199</u>	<u>-</u>	<u>16,022,199</u>
Support services						
Organizational administration	1,974,245	37,197	-	2,011,443	-	2,011,443
Resource development and endowment	3,457,493	67,958	-	3,525,451	-	3,525,451
United Way Worldwide membership	92,568	-	-	92,568	-	92,568
Total support services	<u>5,524,306</u>	<u>105,155</u>	<u>-</u>	<u>5,629,462</u>	<u>-</u>	<u>5,629,462</u>
Total expenses	<u>21,343,738</u>	<u>307,922</u>	<u>-</u>	<u>21,651,661</u>	<u>-</u>	<u>21,651,661</u>
Changes in net assets before transfers	<u>(4,251,486)</u>	<u>(307,922)</u>	<u>1,060,120</u>	<u>(3,499,289)</u>	<u>4,157,594</u>	<u>658,305</u>
Transfers						
Equipment purchases	(120,473)	120,473	-	-	-	-
Distribution of income	882,632	-	(882,632)	-	-	-
Total transfers	<u>762,159</u>	<u>120,473</u>	<u>(882,632)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in net assets	<u>(3,489,327)</u>	<u>(187,449)</u>	<u>177,488</u>	<u>(3,499,289)</u>	<u>4,157,594</u>	<u>658,305</u>
Net assets, beginning of year	<u>(1,593,492)</u>	<u>1,687,558</u>	<u>15,571,949</u>	<u>15,666,015</u>	<u>9,076,955</u>	<u>24,742,970</u>
Net assets, End of Year	<u>\$ (5,082,819)</u>	<u>\$ 1,500,109</u>	<u>\$ 15,749,437</u>	<u>\$ 12,166,726</u>	<u>\$ 13,234,549</u>	<u>\$ 25,401,275</u>

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

UNITED WAY OF CENTRAL MARYLAND, INC.

**Statement of Functional Expenses
For the Year Ended June 30, 2021 with Comparative Totals for 2020**

	2021									2020 Totals
	Program Support			Total Program Support	Support Services		Total Support Services	Total		
Impact Strategies	Neighborhood Zone	Information and Referral	Organizational Administration		Resource Development and Endowment					
Allocations and other distributions	\$ 2,219,997	\$ -	\$ -	\$ 2,219,997	\$ -	\$ -	\$ -	\$ 2,219,997	\$ 3,756,788	
Grant expense	1,690,825	213,795	147,965	2,052,585	-	-	-	2,052,585	2,442,610	
In-kind	775,177	-	-	775,177	-	-	-	775,177	1,123,750	
Total allocations and grants	4,685,999	213,795	147,965	5,047,759	-	-	-	5,047,759	7,323,148	
Salaries	3,855,503	1,082,529	1,325,166	6,263,198	1,207,578	2,411,203	3,618,781	9,881,979	8,286,653	
Retirement plans	157,882	21,537	45,388	224,807	76,171	82,805	158,976	383,783	340,806	
Employee benefits	288,143	63,967	132,585	484,695	102,411	187,331	289,742	774,437	662,262	
Payroll taxes and insurance	299,191	64,710	107,361	471,262	94,164	188,348	282,512	753,774	688,300	
Total payroll expenses	4,600,719	1,232,743	1,610,500	7,443,962	1,480,324	2,869,687	4,350,011	11,793,973	9,978,021	
Accounting fees	-	-	-	-	54,160	-	54,160	54,160	13,565	
Client direct services	3,093,835	10,263	130,399	3,234,497	-	-	-	3,234,497	102,470	
Depreciation and amortization	96,066	6,495	52,499	155,060	33,116	68,543	101,659	256,719	307,922	
Equipment maintenance and rental	3,750	320	1,230	5,300	834	3,633	4,467	9,767	20,889	
Interest	24,452	-	-	24,452	16,271	-	16,271	40,723	55,962	
Legal fees	19,862	-	3,876	23,738	24,968	-	24,968	48,706	48,913	
Local transportation and meetings	3,338	2,668	270	6,276	1,169	1,129	2,298	8,574	73,355	
Marketing	471,050	-	-	471,050	-	373,957	373,957	845,007	767,348	
Membership dues and subscriptions	18,481	811	3,229	22,521	4,394	12,601	16,995	39,516	40,211	
Occupancy	248,676	11,290	91,264	351,230	97,880	122,415	220,295	571,525	574,150	
Out of town travel	-	-	-	-	273	-	273	273	41,821	
Postage and shipping	8,037	445	841	9,323	11,272	1,991	13,263	22,586	22,491	
Printing and promotion	37,345	1,185	140	38,670	5,614	12,191	17,805	56,475	86,162	
Professional fees and other services	932,160	27,665	173,618	1,133,443	371,659	221,343	593,002	1,726,445	1,421,003	
Public events	163,787	7,982	-	171,769	683	(9,404)	(8,721)	163,048	256,988	
Supplies	33,499	19,123	5,657	58,279	13,184	2,880	16,064	74,343	84,439	
Telecommunications	44,835	11,043	59,418	115,296	20,179	33,769	53,948	169,244	160,545	
Total other expenses	5,199,173	99,290	522,441	5,820,904	655,656	845,048	1,500,704	7,321,608	4,078,234	
Total payroll and other expenses	9,799,892	1,332,033	2,132,941	13,264,866	2,135,980	3,714,735	5,850,715	19,115,581	14,056,255	
United Way Worldwide membership	161,202	24,716	41,906	227,824	42,079	75,284	117,363	345,187	272,258	
Total expenses	\$ 14,647,093	\$ 1,570,544	\$ 2,322,812	\$ 18,540,449	\$ 2,178,059	\$ 3,790,019	\$ 5,968,078	\$ 24,508,527	\$ 21,651,661	

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

UNITED WAY OF CENTRAL MARYLAND, INC.

**Statement of Functional Expenses
For the Year Ended June 30, 2020**

	Program Support				Support Services		Total Support Services	Total
	Impact Strategies	The Ben Center	Information and Referral	Total Program Support	Organizational Administration	Resource Development and Endowment		
Allocations and other distributions	\$ 3,756,788	\$ -	\$ -	\$ 3,756,788	\$ -	\$ -	\$ -	\$ 3,756,788
Grant expense	2,242,109	180,746	19,755	2,442,610	-	-	-	2,442,610
In-kind	1,123,750	-	-	1,123,750	-	-	-	1,123,750
Total allocations and grants	7,122,647	180,746	19,755	7,323,148	-	-	-	7,323,148
Salaries	3,526,503	537,338	1,092,931	5,156,772	1,065,572	2,064,309	3,129,881	8,286,653
Retirement plans	140,526	15,092	44,460	200,078	73,010	67,718	140,728	340,806
Employee benefits	257,314	45,713	96,328	399,355	96,631	166,276	262,907	662,262
Payroll taxes and insurance	290,575	49,154	93,334	433,063	86,436	168,801	255,237	688,300
Total payroll expenses	4,214,918	647,297	1,327,053	6,189,268	1,321,649	2,467,104	3,788,753	9,978,021
Accounting fees	-	-	-	-	13,565	-	13,565	13,565
Client direct services	102,131	339	-	102,470	-	-	-	102,470
Depreciation and amortization	113,777	36,643	52,347	202,767	37,197	67,958	105,155	307,922
Equipment maintenance and rental	8,008	1,921	2,670	12,599	1,784	6,506	8,290	20,889
Interest	36,935	-	-	36,935	19,027	-	19,027	55,962
Legal fees	28,652	559	3,045	32,256	16,657	-	16,657	48,913
Local transportation and meetings	25,101	3,258	3,061	31,420	13,017	28,918	41,935	73,355
Marketing	305,194	-	-	305,194	-	462,154	462,154	767,348
Membership dues and subscriptions	18,537	1,152	1,774	21,463	7,658	11,090	18,748	40,211
Occupancy	250,455	57,762	75,788	384,005	87,204	102,941	190,145	574,150
Out of town travel	17,971	1,255	369	19,595	22,226	-	22,226	41,821
Postage and shipping	6,385	345	725	7,455	11,837	3,199	15,036	22,491
Printing and promotion	47,384	1,827	5,047	54,258	3,403	28,501	31,904	86,162
Professional fees and other services	695,507	32,828	87,040	815,375	410,502	195,126	605,628	1,421,003
Public events	139,488	3,145	200	142,833	10,037	104,118	114,155	256,988
Supplies	30,962	24,524	7,515	63,001	16,239	5,199	21,438	84,439
Telecommunications	35,687	13,023	49,757	98,467	19,441	42,637	62,078	160,545
Total other expenses	1,862,174	178,581	289,338	2,330,093	689,794	1,058,347	1,748,141	4,078,234
Total payroll and other expenses	6,077,092	825,878	1,616,391	8,519,361	2,011,443	3,525,451	5,536,894	14,056,255
United Way Worldwide membership	127,144	19,494	33,052	179,690	33,189	59,379	92,568	272,258
Total expenses	\$ 13,326,883	\$ 1,026,118	\$ 1,669,198	\$ 16,022,199	\$ 2,044,632	\$ 3,584,830	\$ 5,629,462	\$ 21,651,661

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

UNITED WAY OF CENTRAL MARYLAND, INC.

**Statements of Cash Flows
For the Years Ended June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities		
Changes in net assets	\$ 24,369,768	\$ 658,305
Adjustment to reconcile changes in net assets to net cash used in operating activities		
Depreciation and amortization	256,719	307,922
Net realized and unrealized gain on investments	(5,165,121)	(783,514)
Contributions received for capital	(9,296)	(120,473)
Increase (decrease) in provision for uncollectible pledges	107,587	(12,714)
Change in value of charitable trust	(861,455)	(2,190,511)
PPP loan forgiveness	(3,569,042)	-
Effects from changes in non-cash operating assets and liabilities		
Pledges receivable	1,033,031	210,103
Grants receivable	182,119	302,120
Prepaid expenses and other assets	(175,276)	(293,526)
Accounts payable and accrued expenses	1,048,098	89,163
Deferred rent	(88,493)	(41,451)
Allocations and other distributions payable	719,894	305,455
Retirement benefits payable	145,097	53,203
Designation payable	(366,529)	226,627
Net Cash from Operating Activities	<u>17,627,101</u>	<u>(1,289,291)</u>
Cash Flows from Investing Activities		
Purchases of equipment and construction in progress	(430,805)	-
Purchases of investments	(16,882,107)	(17,043,568)
Proceeds from sale of investments	13,390,270	17,565,263
Net Cash from Investing Activities	<u>(3,922,642)</u>	<u>521,695</u>
Cash Flows from Financing Activities		
Net payment on line of credit	-	(1,368,355)
PPP Loan proceeds	-	3,569,042
Capital lease principal payments	-	(104,101)
Net Cash from Financing Activities	<u>-</u>	<u>2,096,586</u>
Net change in cash and cash equivalents	13,704,459	1,328,990
Cash and cash equivalents, beginning of year	2,122,212	793,222
Cash and Cash Equivalents, End of Year	<u>\$ 15,826,671</u>	<u>\$ 2,122,212</u>
Supplemental Cash Flow Disclosure		
Cash paid for interest	<u>\$ 40,723</u>	<u>\$ 55,962</u>

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

UNITED WAY OF CENTRAL MARYLAND, INC.

Notes to the Financial Statements June 30, 2021 and 2020

1. NATURE OF OPERATIONS

Background

United Way of Central Maryland, Inc. (UWCM) is a nonprofit charitable organization, incorporated in 1925 as The Community Fund of Baltimore. UWCM's mission is "To improve lives by empowering leaders and mobilizing the caring power of our communities." UWCM licenses its name and trademarks from United Way Worldwide (UWW). UWCM's service area consists of the City of Baltimore and Anne Arundel, Baltimore, Carroll, Harford and Howard counties.

Ultimate authority and responsibility for managing UWCM's affairs resides with its volunteer Board of Directors. UWCM also receives advice and advocacy from volunteer non-governing boards in each jurisdiction UWCM serves: Baltimore City and Anne Arundel, Baltimore, Carroll, Harford and Howard counties. The chair of each of these six entities also serves on UWCM's Board of Directors.

In June 2019, UWCM's Board of Directors approved a new strategic plan to guide the organization's work through 2025. This plan commits UWCM to help reduce the number of families and individuals living at or below 300% of the Federal Poverty Level who are "asset-limited income-constrained employed" (ALICE), i.e., often working two or more full-time minimum wage jobs yet struggling to afford basic needs. UWCM focuses on strategies to empower these families with emphasis on the essentials of stability: education, economic advancement, housing, and health; pursuing a resident-driven, neighborhood-centered model that deploys best and promising practices. UWCM leverages its strengths as a convener, collaborator, and knowledge source; analyzes data on indicators; and convenes residents and stakeholders to formulate collective impact strategies and programs. UWCM funds its own proven programs and promising initiatives as well as those of non-profit agencies and organizations (e.g., schools) that help people living as ALICE using tools such as childcare vouchers, homelessness prevention, and supportive services. The goal is to transition families to self-sustainable solutions such as permanent housing, asset-building and financial literacy.

To support this work, UWCM raises revenue year-round across Central Maryland through workplace giving in the private and public sectors, from individuals who are solicited directly and via grants from public and private sources. It also recruits volunteers for board-level, committee-level work and/or hands-on support.

UNITED WAY OF CENTRAL MARYLAND, INC.

Notes to the Financial Statements June 30, 2021 and 2020

1. NATURE OF OPERATIONS (continued)

Background (continued)

All organizations receiving discretionary funding are required to submit periodic reports demonstrating their adherence to formal and enforced criteria and goals around program models, staffing, organizational capacity, and historical experience in the delivery of stated services. Reports are carefully monitored, with assistance provided when failure to adhere to goals is indicated.

UWCM also owns and houses one of four geographically dispersed call centers in the 2-1-1 Maryland System, providing comprehensive community information and referral services to Maryland residents seeking health and human services. The service is accessible 24/7 in more than 150 languages, providing callers with help on thousands of health and human service needs ranging from housing, utility, and earned-income tax credit assistance, to childcare, access to health care and eviction prevention. Service is provided through the 2-1-1 Maryland UWCM Helpline.

Program Services

Program services represent the cost of UWCM managed programs that provide services to individuals, families, nonprofit agencies and the community in general. These services include:

Information and Referral

2-1-1 Maryland UWCM Helpline

2-1-1 Maryland UWCM Helpline provides comprehensive, 24-hour community information and referral services to Maryland residents who seek health and human services. Using an automated community resource database that is updated at least annually, trained community resource specialists who are certified by the Alliance of Information and Referral Systems (AIRS), answer requests for assistance as well as problem-solve for a wide range of needs, including financial resources to prevent utility cut-off or eviction, emergency food and shelter, disaster relief, substance abuse treatment, after school programs and domestic violence counseling. Community resource specialists assess callers' service needs and provide information, referral, advocacy, crisis intervention and follow-up as appropriate. 2-1-1 Maryland UWCM Helpline is accredited by AIRS.

UNITED WAY OF CENTRAL MARYLAND, INC.

Notes to the Financial Statements June 30, 2021 and 2020

1. NATURE OF OPERATIONS (continued)

Information and Referral (continued)

2-1-1 Maryland

UWCM received grants from corporate, foundation and individual funders for staffing and communication system support ; from Cash Campaign of Maryland to continue to enhance UWCM's efforts to increase awareness of the earned income tax credit and set appointments for free tax preparation at local sites through several community partners; from CareFirst to expand Maryland health care access; from Weinberg Foundation to integrate 2-1-1 and Baltimore City Maryland Access Point to create a senior services ecosystem; and from the Maryland Department of Health (MDH) through the statewide 2-1-1 system.

Impact Strategies

Impact Strategies Division (IS): IS works to ensure that basic human needs are met, especially for ALICE (Asset Limited Income Constrained Employed), and in doing so, aims to stabilize their lives and build self-sufficiency. This is accomplished in several ways.

IS administers two primary types of funding streams to nonprofit organizations: competitive grants and directed grants. Competitive grants provide agencies with programmatic, operating and/or emergency funding, usually in the areas of food, housing, income/employment, health/mental health, education, neighborhood strengthening, and crisis response. UWCM maintains six volunteer Region United Network (RUN Boards, formerly Partnership Boards) covering each of the jurisdictions it serves. One of the important roles of the RUN Boards is to monitor ongoing and emerging community needs and identify where the gaps in resources and services at the local level. Through open and competitive grant processes, UWCM seeks applications from nonprofit organizations to address identified needs. RUN Boards assess these applications and, based on where funding from UWCM will have the greatest impact, select community partners for grant awards.

Directed grants are usually noncompetitive and are awarded to uniquely qualified organizations that serve UWCM's target populations and achieve the goals of identified initiatives

In response to COVID-19, additional funding streams were made available in FY2021. UWCM has participated in two funding collaboratives, one serving the Greater Baltimore region and one specifically for Howard County. UWCM awarded grants through these collaboratives, which greatly streamlined the grant seeking process for nonprofits at a time when they were working extremely hard to meet the rapidly mounting community needs. Additionally, these efforts helped local funders collaborate and eliminate funding duplication. UWCM also made directed grants to several local organizations who were well positioned to provide quick and effective emergency response in areas such as food access.

UNITED WAY OF CENTRAL MARYLAND, INC.

Notes to the Financial Statements June 30, 2021 and 2020

1. NATURE OF OPERATIONS (continued)

Impact Strategies (continued)

Impact Strategies Division (IS): (continued)

Ultimate authority for all grants rests with UWCM's board of directors. IS monitors grantees to ensure funds are expended as intended outcomes are achieved and sound fiscal health is maintained.

On a limited basis, IS professionals also provide direct case management and modest financial support to individuals and families at high risk of, or experiencing, homelessness. IS also provides staff support to the Veterans Treatment Docket, an alternative resolution court in Baltimore City and Anne Arundel County for veterans, and organizes Project Homeless Connect, a one-day resource fair for people experiencing homelessness in Harford County. IS also provides staff support for plans to end homelessness in Baltimore City and other jurisdictions. The IS team also manages various regional initiatives and educates the public about the challenges faced by those experiencing poverty. In addition, IS provides subject matter expertise and serves as a regional convener on various health and human service problems. For agencies, IS provides training and technical services, advocacy and public policy support, training, and networking opportunities. IS is also a HUB for data and research Partnerships with higher education research institutes and other UWs provides a mechanism for such publications as the ALICE report and Benefits Cliff Study. IS routinely performs Return on Investment Analysis and produces research papers on best practices.

UWCM has hired a team of staff to address the eviction crisis in Central Maryland. These positions and the financial support to prevent the evictions including rent arrearages and rent forward payments have been secured through the state and local government's allocation of federal grant dollars. The staff are responsible for document review and compliance.

Government and Public Affairs: Senior level staff within the IS division participate on several boards and committees of organizations who perform advocacy as part of their mission. Thus, UWCM is able to remain up to date on current legislative issues. UWCM also maintains relationships with several lobbyists, contracting with a Public Affairs firm to further stay abreast of public policy issues. The ALICE report has been instrumental in helping to provide openings with stakeholders and policymakers to discuss UWCM's work.

UNITED WAY OF CENTRAL MARYLAND, INC.

Notes to the Financial Statements June 30, 2021 and 2020

1. NATURE OF OPERATIONS (continued)

Impact Strategies (continued)

United Way Neighborhood Zones

United Way Neighborhood Zone in Brooklyn (a.k.a. Ben Center): In October 2017, UWCM took over the operations of the Ben Center and integrated the strategy/programs into operations. The UW Neighborhood Zone in Brooklyn is operated out of Benjamin Franklin High School in the Brooklyn/Curtis Bay neighborhood of Baltimore City. This unique concept has been designed to create a "hub" within the community that provides a safe, nurturing environment for students and community members to not only seek out a vast array of services, but to be active participants in shaping their community to be what will help them fulfill their hopes and dreams for themselves, their family, and the community.

The program philosophy is one in which resident voices are heard and their priorities are turned into actions through a network of partners that have been created through evidence-based practices that will support steady, high rates of school attendance, boost student achievement, and engage families and stakeholders. Programs include family stability case manager, community schools coordinator, mental health, economic advancement, advocacy and the United Way Family Center, an early learning/teen parent program providing quality childcare and parent support, so they graduate from high school and break the cycle of teen pregnancy.

UWCM now has three such zones, all of which address the unique needs of their respective neighborhoods.

Volunteerism: UWCM employs a volunteer director who is responsible for community engagement and organizing various volunteer projects throughout the year that support local nonprofit organizations that are working to help people meet their basic needs. Additionally, the volunteer director serves as a liaison between UWCM donors, workplaces, and local volunteer centers.

Administration and Support Services

Support services are classified as organizational administration and resource development. Organizational administration includes governance, overall executive direction, strategic planning and implementation, financial management, technology, risk management, human resources, and administrative support services. Resource and endowment development represents all activities that constitute an appeal for financial support in all private and governmental campaigns, including staff support, campaign supplies, marketing, media advertising, public relations and communications, recruiting and training volunteer solicitors and mail solicitations.

UNITED WAY OF CENTRAL MARYLAND, INC.

Notes to the Financial Statements June 30, 2021 and 2020

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements of UWCM are presented on the accrual basis of accounting in accordance with accounting standards generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, amounts deposited in financial institutions and highly liquid investments with an original maturity of three months or less.

Credit Risk

UWCM maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. UWCM has not experienced any losses in such cash accounts and management believes it is not exposed to significant risk on cash. UWCM invests board designated assets (functioning as an endowment) in a professionally managed portfolio that contains shares of various common stocks, corporate bonds and notes and U.S. government obligations. Such investments are exposed to various risks such as interest rate, market and credit. Due to the levels of risk associated with such investments and uncertainty related to changes in the fair value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the financial statements.

Provision for Uncollectible Pledges

The provision for uncollectible pledges is calculated using a three-year historical average of actual results. Management also assesses the need to increase the provision based on current economic uncertainty that would increase the likelihood of uncollectible pledges, such as corporate downsizing, mergers and bankruptcies. The provision for uncollectible pledges is ultimately based on management's estimate of the collectability of existing amounts receivable.

UNITED WAY OF CENTRAL MARYLAND, INC.

Notes to the Financial Statements June 30, 2021 and 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurements

Accounting principles generally accepted in the United States of America establish a framework for measuring fair value. That framework provides a fair value hierarchy that 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) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under accounting principles generally accepted in the United States of America are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the entity has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

UWCM's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

The following is a description of the valuation techniques used by UWCM.

Level 1: Investments in securities traded on a national securities exchange, or reported on the NASDAQ national market, are stated at the last reported settlement prices. These financial instruments are classified as Level 1 in the fair value hierarchy.

UNITED WAY OF CENTRAL MARYLAND, INC.

Notes to the Financial Statements June 30, 2021 and 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurements (continued)

Level 2: Investments in corporate bonds and U.S. treasury securities are stated at the last reported sales price on the day of valuation. These financial instruments are classified as Level 2 in the fair value hierarchy.

Level 3: Investments are not readily marketable. UWCM has no control over or possession of the investments that are held by Baltimore Community Foundation and the charitable trust.

UWCM distributed gains and losses realized from security transactions among all endowment funds and funds functioning as endowments based on the ratio of each fund's net assets to the total net assets. Endowment income restricted to specific purposes is distributed based on each fund's governing documentation.

Property, Plant and Equipment

Property and equipment purchases related to federal grant procurements over \$5,000, or non-federal grant procurements over \$1,000, are considered capital assets and recorded at cost. Lesser amounts are expensed. Depreciation of all equipment, furniture and software is provided on a straight-line basis over the estimated useful lives of the assets ranging from two to ten years. Donated equipment and improvements are capitalized at their estimated fair value at the date of donation. Leasehold improvements are depreciated over the life of the lease. Construction in process is not depreciated until the assets are ready for use.

Valuation of Long-Lived Assets

UWCM reviews long-lived assets and certain identifiable intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell.

Beneficial Interest in Charitable Trust

Beneficial Interest in Charitable Trust represents the fair value of UWCM's interest as one of six selected charities in the donor's trust account (the Trust). UWCM will receive a share of the net income from the Trust for an initial period of 50 years through December 2053, after which the corpus will be distributed outright and free of trust in equal shares to the six charities. The Trust was created by a donor, independently of UWCM and is neither in the possession nor under the control of UWCM. The Trust is administered by outside fiscal agents as directed

UNITED WAY OF CENTRAL MARYLAND, INC.

Notes to the Financial Statements June 30, 2021 and 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Beneficial Interest in Charitable Trust (continued)

by the donor. UWCM records the fair value of the Trust, using present value calculations, assuming a long-term blended rate of return of 5.75% and 5.38% as of June 30, 2021 and 2020, respectively.

As of June 30, 2021 and 2020, UWCM has estimated its fair value of the Trust based on the discount rate from the IRS Section 7520 table to be used for valuing certain charitable interest in trusts. That rate was 1.22% and .52% as of June 30, 2021 and 2020, respectively. The increase in the discount rate is reflective of the current market and economy. The discount rates used coupled with the market performance resulted in an increase in the fair market value of the Trust by \$861,455 and \$2,190,511 for the years ended June 30, 2021 and 2020, respectively. The increases in the Trust were recorded in other income resulting in an increase in net assets with donor restrictions in the accompanying financial statements. The value of UWCM's beneficial interest in the Trust as of June 30, 2021 and 2020, were \$6,594,530 and \$5,733,075, respectively. A 1.0% increase in the discount rate used as of June 30, 2021 would have decreased the valuation of the Trust to \$5,374,690.

Net Assets

Net assets without donor restrictions are assets and contributions that are not restricted by donors or for which restrictions have expired. Net assets without donor restrictions consist of the following:

Operating: Represents resources available for support of operations.

Plant: Represents net assets expended for plant.

Board Designated: Represents all other unrestricted resources and are directed by the Board of Directors.

Net assets with donor restrictions are those whose use by the UWCM has been restricted by donors primarily for a specific time period or purpose. When a donor restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions. If a donor restriction is met in the same reporting period in which the contribution is received, the contribution (to the extent that the restrictions have been met) is reported as net assets without donor restrictions.

Net assets with donor restrictions also consist of contributions received from donors to be maintained by the Organization in perpetuity.

As of June 30, 2021 and 2020, net assets with donor restrictions were \$11,602,400 and \$13,234,549, respectively.

UNITED WAY OF CENTRAL MARYLAND, INC.

Notes to the Financial Statements June 30, 2021 and 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Campaign Pledges and Contributions

Contributions are recognized when the donor makes a pledge to UWCM that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are received.

Contributions in the form of donated financial assets converted nearly immediately into cash have been classified with all other cash donations in the statements of cash flows.

Grant Revenue

Grant revenue is recognized when expenses are incurred. Amounts received in advance are considered deferred revenue until expended for the purposes of the grant.

Community Initiatives

Community Initiatives revenue is recognized when the donor makes a pledge to UWCM that is, in substance, unconditional. Revenue that is restricted by the donor is reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are received.

Private Sector Campaigns

UWCM conducts a Private Sector Campaign for Central Maryland. UWCM conducts hundreds of workplace giving campaigns and solicits gifts from individuals outside the workplace in various ways. Most workplace and direct fundraising activities are conducted from September through December; however, due to timing variances of some campaigns and the submission of pledge information, the campaign is not typically finalized until June 30 of the following year. UWCM encourages undesignated gifts, but donors may direct all or part of their contributions to any 501 (c)(3) charitable organization in good standing based on UWCM designation guidelines. A processing fee up to 5% is deducted from designations to nonprofit agencies in the Private Sector workplace campaign, with a cost cap of \$500. Any unpaid donor designations are included in designations payable.

Support provided to participating companies and organizations in each of these campaigns includes accounting, gift acknowledgement, fundraising expertise, regulatory compliance, staff training, promotional materials, volunteer activities and events, website maintenance, customer service, agency speakers and tours and all aspects of paper and/or electronic pledge processing support.

UNITED WAY OF CENTRAL MARYLAND, INC.

Notes to the Financial Statements June 30, 2021 and 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Private Sector Campaigns (continued)

All campaign pledges and contributions are recognized when the donor makes a pledge that is, in substance, unconditional. If donor restrictions expire in the current fiscal year, the pledge or contribution will be recorded as without donor restrictions. Pledges and contributions that are received for future year campaigns are reported as net assets with donor restrictions until the time restriction expires.

The total results from the annual campaign are reduced by donor designations to specific agencies and a provision for uncollectible pledges in the statements of activities and changes in net assets.

There are instances where UWCM receives checks made payable directly to an agency, as well as a small number of companies who run campaigns with UWCM involvement and support but use a third party processor to record donor pledges and distribute money collected directly to designated agencies. In these cases, UWCM does not directly receive the money. Because UWCM is providing direct fundraising support to a company, including materials and staff and to allow companies to receive recognition for their total results, UWCM records the total campaign results in pledges and contributions on the accompanying statements of activities and changes in net assets. Amounts paid directly to agencies totaled \$1,416,887 and \$1,702,831 for the years ended June 30, 2021 and 2020, respectively and is recorded in donor designations to outside agencies on the accompanying statements of activities and changes in net assets.

Deferred Rent

Rent payments on operating leases are reported in accordance with accounting standards generally accepted in the United States, whereby total rent expense under the leases is expensed on the straight-line method over the term of the related leases. Rent expensed in excess of amounts paid is reported as deferred rent.

UWCM leases certain operating locations for which the landlord paid for tenant improvements and UWCM is paying for these improvements over the term of the lease. The cost of these improvements have been capitalized by UWCM, and are included in property, plant and equipment with the related obligation recorded as deferred rent. The deferred rent amount is amortized as an offset to rent expense over the lease term. Tenant improvements are also amortized over the term of the lease on a straight-line basis.

UNITED WAY OF CENTRAL MARYLAND, INC.

Notes to the Financial Statements June 30, 2021 and 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Allocations of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services that benefit from those costs. Indirect costs include those expenses that are not directly identified with any other specific function but provide for the overall support and direction of UWCM. All direct costs are charged to the specific program or event. Indirect costs are allocated based on estimated full-time equivalents in each area.

Contributed Services and Supplies

The accompanying financial statements do not include amounts for contributed services because they do not meet the criteria under generally accepted accounting principles. UWCM pays for substantially all services requiring specific expertise; however, a substantial number of volunteers have donated significant amounts of their time in UWCM's fundraising campaign and program services. In-kind revenue recorded in the accompanying statements of activities and changes in net assets represent supplies donated to UWCM and distributed to recipients.

Income Tax Status

UWCM is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, UWCM qualifies for charitable contribution deductions under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(1). Income, which is not related to exempt purposes, less applicable deductions, is subject to federal and state corporate income taxes. UWCM had no unrelated business income for the years ended June 30, 2021 and 2020.

The provisions included in accounting principles generally accepted in the United States of America provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition of tax positions taken or expected to be taken in a tax return. UWCM performed an evaluation of uncertain tax positions as of June 30, 2021 and 2020, and determined that there were no matters that would require recognition in the financial statements or, which may have any effect on its tax-exempt status. As of June 30, 2021, the statute of limitations for fiscal years 2018 through 2021 remains open with the U.S. Federal jurisdiction or the various states and local jurisdictions in which UWCM files tax returns.

UNITED WAY OF CENTRAL MARYLAND, INC.

Notes to the Financial Statements June 30, 2021 and 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Liquidity

UWCM receives contributions from donors which may or may not be restricted for specific purposes. Financial assets of UWCM are primarily comprised of cash and cash equivalents, grants and pledges receivable from donors and investments. UWCM structures its financial assets to be available as general expense liabilities and other obligations come due.

To achieve this, UWCM forecasts its future cash flows and monitors its liquidity on a monthly basis. Management and the Board have been monitoring the UWCM's cash balances to ensure that there is at least 3 months of working capital available throughout the year.

The following table summarizes the UWCM's financial assets available as of June 30, 2021, that are without donor or other restrictions limiting their use, for grant obligations and general expenditure within one year of the balance sheet date:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Financial Assets:		
Cash and cash equivalents	\$ 15,826,671	\$ 2,122,212
Pledges receivable, net	6,416,076	7,556,694
Grants receivable, net	524,900	707,019
Investments, at fair value	28,002,156	19,345,197
Beneficial interest in Charitable Trust	6,594,530	5,733,075
Available financial assets	<u>57,364,333</u>	<u>35,464,197</u>
Less financial assets unavailable for expenditures due to:		
Contractual or donor-imposed restrictions		
Pledges not expected to be collected within one year	(1,157,328)	(1,745,316)
Restricted by donor with time or purpose restrictions	(11,602,400)	(13,234,549)
Board designations:		
Impacts grants campaign	(2,775,349)	(933,900)
Net available financial assets	<u>\$ 41,829,256</u>	<u>\$ 19,550,432</u>

Accounting Pronouncements Adopted

In July 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*. ASU No. 2018-13 modifies the disclosure requirements on fair value measurements. ASU 2018-13 eliminates, amends and adds disclosure requirements. UWCM adopted this pronouncement for the fiscal year ended June 30, 2021, and updated the footnotes accordingly. The adoption of this standard did not have a material effect on the accompanying financial statements.

UNITED WAY OF CENTRAL MARYLAND, INC.

Notes to the Financial Statements June 30, 2021 and 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting Pronouncements Adopted (continued)

In September 2017, the FASB issued ASU No. 2017-13, *Revenue Recognition (Topic 605), Revenue from Contracts with Customers (Topic 606)*. The recognition of revenue when a customer obtains control of promised goods or services in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or service. This standard is effective for fiscal years beginning after December 15, 2020. UWCM adopted this pronouncement for the fiscal year ended June 30, 2021, and updated the accompanying financial statements accordingly. The adoption of this standard did not have a material effect on the accompanying financial statements.

Accounting Pronouncements Pending

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, which creates a singular reporting model for leases. This standard will require UWCM to record changes to its statement of financial position to reflect balances for current leases that are not shown in the consolidated statement of financial position. This standard will be effective for periods beginning after December 15, 2021. The amendments in this ASU are effective for UWCM for the fiscal year ending June 1, 2023.

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. This standard will require the UWCM to present gifts-in-kind as a separate line item on the statement of activities and changes in net assets. Additionally, gifts-in-kind are to be disaggregated into categories based on the type of gift received, with required disclosures made for each category. This standard will be effective for periods beginning after June 15, 2021. The amendments in this ASU are effective for UWCM for the fiscal year ending June 1, 2022.

Management is evaluating the effects of these pronouncements on the financial statements and will implement these pronouncements by their effective dates. Management does not believe the adoption of these pronouncements will have a material effect on the financial statements.

Subsequent Events

UWCM evaluated the subsequent events and transactions through December 1, 2021, the date these financial statements were available for issue and have determined that no material subsequent events have occurred that would affect the information presented in the accompanying financial statements or require additional disclosure.

UNITED WAY OF CENTRAL MARYLAND, INC.

Notes to the Financial Statements June 30, 2021 and 2020

3. PLEDGES RECEIVABLE

As of June 30, 2021 and 2020, the pledges receivable are scheduled to be received as follows:

	<u>2021</u>	<u>2020</u>
Less than 1 year	\$ 6,177,960	\$ 6,623,002
1 to 5 years	1,000,000	1,515,000
6 to 10 years	<u>200,000</u>	<u>300,000</u>
	7,377,960	8,438,002
Less: provision for uncollectible pledges	919,212	811,624
Less: discount to present value (1.34% - 2021, 1.43% - 2020)	<u>42,672</u>	<u>69,684</u>
Pledges receivable, net	<u>\$ 6,416,076</u>	<u>\$ 7,556,694</u>

4. INVESTMENTS

The spending policy governing the investment funds allows UWCM's paid professional investment advisor to develop long-term investment strategies that will produce the cash flow needed to support the mission of the organization within its formal investment policy guidelines which were revised and approved by the Board of UWCM in September 2013 and amended in November 2020. Oversight is provided by the Investment Committee of the Board. This policy limits withdrawals to 5% of the rolling four-year average based on the market value of the fund; however, the Board has the authority to exceed that limitation and must approve all withdrawals.

Assets held by UWCM were comprised of the following as of June 30, 2021 and 2020:

	<u>2021</u>		<u>2020</u>	
	Cost	Fair Value	Cost	Fair Value
Money market funds	\$ 805,256	\$ 800,981	\$ 827,597	\$ 824,168
U.S. Treasury notes	1,213,785	1,237,782	628,159	665,401
U.S. government agencies	275,074	276,206	124,758	128,132
Municipal obligations	30,574	36,248	149,073	161,540
Corporate bonds and notes	1,984,948	2,086,174	2,452,867	2,623,867
Fixed income funds	2,859,288	2,918,919	1,829,742	1,927,105
Preferred stocks	9,757	9,757	15,726	15,726
Common stocks	1,119,193	2,542,344	1,131,063	1,905,022
Equity funds	11,573,358	15,767,100	9,044,532	9,801,917
Alternative investments	1,600,000	1,926,399	750,000	948,477
Pooled funds	400,246	400,246	343,842	343,842
Charitable trust	6,594,530	6,594,530	5,733,075	5,733,075
	<u>\$ 28,466,009</u>	<u>\$ 34,596,686</u>	<u>\$ 23,030,434</u>	<u>\$ 25,078,272</u>

UNITED WAY OF CENTRAL MARYLAND, INC.

Notes to the Financial Statements June 30, 2021 and 2020

4. INVESTMENTS (continued)

The components of investment income for the years ended June 30, 2021 and 2020, were as follows:

	<u>2021</u>	<u>2020</u>
Realized gain, net	\$ 1,064,129	\$ 873,308
Unrealized gain (loss), net	4,100,992	(89,794)
Interest and dividend income	346,378	319,906
Less: investment advisors' fees	67,009	71,194
	<u>\$ 5,444,490</u>	<u>\$ 1,032,226</u>

The following table summarizes the valuation of UWCM's assets by the fair value hierarchy levels as of June 30, 2021:

	<u>2021</u>			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Cash equivalents:				
Money market funds	\$ 800,981	\$ -	\$ -	\$ 800,981
Preferred stocks:				
Financials	9,757	-	-	9,757
Common stocks:				
Communication Services	389,486	-	-	389,486
Industrials	125,617	-	-	125,617
Consumer discretionary	425,368	-	-	425,368
Consumer staples	12,733	-	-	12,733
Energy	-	-	-	-
Financials	481,707	-	-	481,707
Health care	257,221	-	-	257,221
Information technology	785,939	-	-	785,939
Real estate	64,273	-	-	64,273
Total common stocks	<u>2,542,344</u>	<u>-</u>	<u>-</u>	<u>2,542,344</u>
Fixed income:				
Municipal obligations	-	36,248	-	36,248
U.S. corporate bonds	-	2,086,174	-	2,086,174
U.S. Treasury securities	-	1,237,782	-	1,237,782
U.S. governmental securities	-	276,206	-	276,206
Fixed income funds	-	2,918,919	-	2,918,919
Total fixed income	<u>-</u>	<u>6,555,329</u>	<u>-</u>	<u>6,555,329</u>
Equity funds	15,767,100	-	-	15,767,100
Pooled funds	-	-	400,246	400,246
Investments at fair value	<u>\$ 19,120,182</u>	<u>\$ 6,555,329</u>	<u>\$ 400,246</u>	<u>26,075,757</u>
Investments at NAV (a)				1,926,399
Total Investments				<u>\$ 28,002,156</u>
Charitable Trust	\$ -	\$ -	\$ 6,594,530	\$ 6,594,530

UNITED WAY OF CENTRAL MARYLAND, INC.

Notes to the Financial Statements June 30, 2021 and 2020

4. INVESTMENTS (continued)

The following table summarizes the valuation of UWCM's assets by the fair value hierarchy levels as of June 30, 2020:

	2020			
	Level 1	Level 2	Level 3	Total
Cash equivalents:				
Money market funds	\$ 824,168	\$ -	\$ -	\$ 824,168
Preferred stocks:				
Financials	15,726	-	-	15,726
Common stocks:				
Communication Services	242,394	-	-	242,394
Industrials	56,736	-	-	56,736
Consumer discretionary	377,629	-	-	377,629
Consumer staples	63,470	-	-	63,470
Energy	28,717	-	-	28,717
Financials	285,399	-	-	285,399
Health care	189,090	-	-	189,090
Information technology	593,531	-	-	593,531
Real estate	68,056	-	-	68,056
Total common stocks	1,905,022	-	-	1,905,022
Fixed income:				
Municipal obligations	-	161,540	-	161,540
U.S. corporate bonds	-	2,623,867	-	2,623,867
U.S. Treasury securities	-	665,401	-	665,401
U.S. governmental securities	-	128,132	-	128,132
Fixed income funds	-	1,927,105	-	1,927,105
Total fixed income	-	5,506,045	-	5,506,045
Equity funds	9,801,917	-	-	9,801,917
Pooled funds	-	-	343,842	343,842
Investments at fair value	\$ 12,546,833	\$ 5,506,045	\$ 343,842	18,396,720
Investments at NAV (a)				948,477
Total Investments				\$ 19,345,197
Charitable Trust	\$ -	\$ -	\$ 5,733,075	\$ 5,733,075

(a) In accordance with Subtopic 820-10 as amended by ASU 2018-13, *Fair Value Measurement (Topic 820): Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*, certain investments that were measured at net asset value (NAV) per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in these tables are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of financial position.

UWCM invests in certain investment vehicles for which the fair value measurement is assessed using net asset value per share, or its equivalents. Information pertaining to these investments is as follows:

	Fair value as of June 30, 2021	Fair value as of June 30, 2020	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Global equity fund	\$ 1,926,399	\$ 948,477	\$ -	Semi-annual	65 Days

UNITED WAY OF CENTRAL MARYLAND, INC.

Notes to the Financial Statements June 30, 2021 and 2020

4. INVESTMENTS (continued)

The alternative investments invest in long/short global equities and long/short-fixed income products. The value of the investments has been estimated using the NAV per share of the investments.

The following table presents certain activity for the Level 3 assets for the years ended June 30, 2020:

	<u>Pooled funds</u>	<u>Charitable Trust</u>	<u>Total</u>
Transfers in	\$ -	\$ -	\$ -
Transfers out	-	-	-
Purchases	-	-	-
Sales	(32,980)	-	(32,980)

To assess the appropriate classification of assets within the fair value hierarchy, the availability of market data is monitored. Changes in economic conditions or valuation techniques may require the transfer of assets from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period. UWCM evaluates the significance of transfers between levels based upon the nature of the assets and size of the transfer relative to total net assets.

5. PROPERTY, PLANT, AND EQUIPMENT, NET

Property, plant, and equipment consisted of the following as of June 30, 2021 and 2020:

<u>Asset Category</u>	<u>2021</u>	<u>2020</u>
Audio visual equipment	\$ 128,834	\$ 128,834
Furniture & fixtures	601,552	601,552
Leasehold improvements	1,529,812	1,529,812
Licenses	29,460	36,780
Personal computers	161,030	156,832
Printing equipment	3,285	3,285
Software programs	412,804	428,704
System computers, servers & heavy duty printers	145,712	237,371
Telecommunication system	125,019	125,019
Constuction in process	446,705	-
	<u>3,584,212</u>	<u>3,248,189</u>
Less: accumulated depreciation and amortization	1,900,721	1,748,080
Property, Plant, and Equipment, Net	<u>\$ 1,683,491</u>	<u>\$ 1,500,109</u>

Depreciation expense totaled \$256,719 and \$307,922 for the years ended June 30, 2021 and 2020, respectively.

UNITED WAY OF CENTRAL MARYLAND, INC.

Notes to the Financial Statements June 30, 2021 and 2020

6. NOTES PAYABLE

UWCM has a \$5,000,000 secured note bearing interest at the London Interbank Offered Rate (LIBOR) plus 1.25% (1.60% and 1.43% as of June 30, 2021 and 2020, respectively). The note is collateralized by cash and marketable securities held by UWCM. UWCM can make draws on the note as needed with no expiration date. There was no outstanding balance on the note as of June 30, 2021 and 2020, respectively. Interest expense was \$40,724 and \$54,387, for the years ended June 30, 2021 and 2020, respectively.

During the year ended June 30, 2020, UWCM received a Paycheck Protection Program (PPP) loan in the amount of \$3,569,042. The terms of the loan required the proceeds to be spent on eligible expenses, which were primarily payroll related costs. Part or all of the loan could be forgiven based on meeting certain conditions as set forth in the loan agreement. During the fiscal year ended June 30, 2021, UWCM received notice of forgiveness for the entire principal balance and accrued interest. UWCM has recorded the loan forgiveness of the principal and accrued interest as income on the accompanying statements of activities and changes in net assets.

7. RETIREMENT BENEFITS

UWCM provides a defined contribution retirement plan under Section 403(b) of the Internal Revenue Code (403(b)), which covers substantially all full-time employees of UWCM. UWCM makes non-elective contributions to the 403(b). These contributions apply to all employees who have completed one year of service, regardless of whether the employee is making voluntary contributions to the 403(b). The 403(b) also provides for UWCM matching 25% of employee's voluntary contributions, up to 6% of their salary. The match begins as soon as the employee begins to contribute to the 403(b).

Both the non-elective and matching contributions are subject to a vesting period. These contributions are 50% vested after two years of service and 100% vested after four years of service. UWCM's costs under the 403(b) were \$387,507 and \$372,257 for the years ended June 30, 2021 and 2020, respectively.

UWCM's non-elective contribution varies based on length of services as follows:

Years of Service	<u>Compensation</u>
Less than 5	2%
5 but less than 10	3%
10 or more	4%

UNITED WAY OF CENTRAL MARYLAND, INC.

**Notes to the Financial Statements
June 30, 2021 and 2020**

7. RETIREMENT BENEFITS (continued)

Executives and senior staff members of UWCM are also eligible to participate in other retirement plans and may elect to contribute a portion of their compensation on a tax-deferred basis. There is a liability of \$436,158 and \$291,061, recorded as of June 30, 2021 and 2020, respectively, related to these plans. UWCM has \$436,158 and \$291,061, on deposit with a trustee as of June 30, 2021 and 2020, respectively, for future settlement of these obligations. These amounts are included in retirement benefits payable in the statements of financial position.

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, are restricted to:

	<u>2021</u>	<u>2020</u>
Time or Purpose Restrictions		
Future year gifts, committed for subsequent year allocation to agencies	\$ 1,295,444	\$ 1,813,063
Restricted for other programs	936,265	1,243,791
2020 Emergence Assistance Fund	-	1,757,178
Gifts of life insurance	88,677	88,677
Ray Sachs fund	105,245	81,388
Nachlas endowment restricted to inner city youth programs	1,520,575	1,478,772
Contino	26,307	23,560
Accumulated earnings on donor-restricted endowments	301,913	281,601
Langenfelder charitable trust	4,194,352	3,617,856
Total Time or Purpose Restrictions	<u>8,468,778</u>	<u>10,385,886</u>
Held in Perpetuity		
Contino	100,000	100,000
Charles Bagby	474,768	474,768
Leonard Eisenberg	158,676	158,676
Langenfelder charitable trust	2,400,178	2,115,219
Total Net Assets Held in Perpetuity	<u>3,133,622</u>	<u>2,848,663</u>
Total Net Assets With Donor Restrictions	<u>\$ 11,602,400</u>	<u>\$ 13,234,549</u>

Net assets with donor restrictions to be held in perpetuity were \$3,133,622 and 2,848,663 as of June 30, 2021 and 2020, respectively. The income from these assets is expendable to support all activities of UWCM and included in accumulated earnings above.

UNITED WAY OF CENTRAL MARYLAND, INC.

Notes to the Financial Statements June 30, 2021 and 2020

8. NET ASSETS WITH DONOR RESTRICTIONS (continued)

Interpretation of Relevant Law

The provisions of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) were enacted into law in Maryland effective April 14, 2009. UWCM has added the required disclosures which is a requirement for any organization with endowment funds.

UWCM has interpreted the State of Maryland's enacted version of UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, UWCM classifies net assets with donor restrictions in perpetuity as (a) the original value of gifts to the permanent endowment, and (b) the original value of the subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified as net assets with donor restrictions in perpetuity is classified as net assets with donor restrictions unavailable for appropriation, until those amounts are appropriated for expenditure by UWCM in a manner consistent with the standard of prudence prescribed by UPMIFA.

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

- a. The duration and preservation of the fund;
- b. The purposes of UWCM and the donor-restricted endowment fund;
- c. General economic conditions;
- d. The possible effects of inflation and deflation;
- e. The expected total return from income and the appreciation or depreciation of investments;
- f. Other resources of UWCM; and
- g. The investment policies of UWCM.

UNITED WAY OF CENTRAL MARYLAND, INC.

**Notes to the Financial Statements
June 30, 2021 and 2020**

8. NET ASSETS WITH DONOR RESTRICTIONS (continued)

Interpretation of Relevant Law (continued)

Endowment fund composition by type as of June 30:

	2021			
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions (For Appropriation)	Net Assets With Donor Restrictions (in Perpetuity)	Total
Donor-restricted endowment funds	\$ -	\$ 301,913	\$ 3,133,622	\$ 3,435,535

	2020			
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions (For Appropriation)	Net Assets With Donor Restrictions (in Perpetuity)	Total
Donor-restricted endowment funds	\$ -	\$ 281,601	\$ 2,848,663	\$ 3,130,264

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

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions (For Appropriation)	Net Assets With Donor Restrictions (in Perpetuity)	Total
Endowment funds July 1, 2019	\$ -	\$ 278,177	\$ 1,679,050	\$ 1,957,227
Investment income	-	3,424	-	3,424
Change in fair value of charitable trust	-	-	1,169,613	1,169,613
Endowment funds June 30, 2020	-	281,601	2,848,663	3,130,264
Investment income	-	20,312	-	20,312
Change in fair value of charitable trust	-	-	284,959	284,959
Endowment funds June 30, 2021	\$ -	\$ 301,913	\$ 3,133,622	\$ 3,435,535

Return Objectives and Risk Parameters

UWCM has established investment and spending policies for endowment assets that attempt to provide a predictable stream of funding for use by UWCM while seeking to preserve the value of endowment assets. Endowment assets include those donor-restricted funds that UWCM must hold in perpetuity or for a donor-specified period, as well as unrestricted assets. Under this policy, as approved by the Board of Directors, endowment assets are invested in a manner intended to earn sufficient income from assets each year (interest, dividends and other current income).

UNITED WAY OF CENTRAL MARYLAND, INC.

Notes to the Financial Statements June 30, 2021 and 2020

8. NET ASSETS WITH DONOR RESTRICTIONS (continued)

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objective, UWCM uses a third-party manager whose investment style maximizes the advantages of diversification and minimizes risk consistent with the stated objectives. UWCM targets a diversified asset allocation that places an emphasis on equity-based investments to achieve its long-term return objectives within prudent risk parameters.

Endowment Withdrawals and How the Investment Objectives Relate to the Endowment Spending Policy

UWCM has a board-approved endowment spending policy that limits withdrawals to no more than 5% of the rolling four-year average assets. The Board has the authority to exceed that limitation. Both current income and appreciation can be used with the intent that original endowment funds are preserved. This is consistent with UWCM's objective to maintain and grow endowment assets currently held as well as to provide additional real growth through new gifts and investment return. The Board must approve all recommended withdrawals.

9. COMMITMENTS AND CONTINGENCIES

Operating Leases

As of June 30, 2021, UWCM has long-term operating leases for office space at four locations in Maryland. On August 23, 2016, UWCM entered into a new office space lease agreement for its main office. The ten-year lease began on March 1, 2017, and rent payments began September 1, 2017. Base annual rent was initially set at \$36,784 per month which increases at certain intervals during the lease. Total base rent payable over the lease period is approximately \$5,649,000.

Future lease payments for all locations were as follows as of June 30, 2021:

<u>Years ending June 30:</u>	<u>Amount</u>
2022	\$ 614,267
2023	677,863
2024	703,521
2025	730,176
2026	757,849
Thereafter	1,006,961
Total	<u>\$ 4,490,637</u>

UNITED WAY OF CENTRAL MARYLAND, INC.

Notes to the Financial Statements June 30, 2021 and 2020

9. COMMITMENTS AND CONTINGENCIES (continued)

Operating Leases (continued)

Rent expense was \$464,409 and \$463,392, for the years ended June 30, 2021 and 2020, respectively.

Other Long-Term Commitments

UWCM has entered into contracts with certain contractual affiliates to provide allocations from 2017 through current and future campaigns. The maximum amount to be paid by UWCM during the year ended June 30, 2021, is \$2,775,349.

10. UNITED WAY WORLDWIDE, INC.

United Way Worldwide, Inc. (UWW) is a national trade association and owner of the United Way name and brand mark. In order for UWCM to use the name and brand mark, it is required to make a membership investment in UWW. This expense totaled \$345,184 and \$272,258, for the years ended June 30, 2021 and 2020, respectively. In addition to the use of the name and brand mark, UWCM receives many other benefits from UWW. Through its association, it has easy access to UWW's knowledge and support on marketing, program outcomes, community impact, fundraising, national trends, campaign materials and a wide array of other tools and topics. UWW also represents all United Way organizations on important legislation or issues presented to Congress.

In an effort to increase accountability and transparency, UWW has developed standards for excellence. Each year, UWCM must submit a report on its compliance with each of the standards. UWCM has committed to comply with all UWW membership standards.

11. GRANT ACTIVITY INFORMATION

2-1-1 Maryland UWCM Helpline received grants from corporate, foundation and individual funders for staffing and communication system support; from CASH Campaign of Maryland to continue to enhance UWCM's efforts to increase awareness of the Earned Income Tax Credit and set appointments for free tax preparation at local sites through several community partners; from CareFirst to expand Maryland health care access; from Maryland Department of Planning, to conduct outreach to increase awareness of the importance of completing the U.S. Census Survey; from United Way Worldwide to partner with Lyft to provide transportation to callers in need; from Better Bedrest to provide telephone reassurance and support to women experiencing high risk pregnancies; and from Maryland Department of Health (DHMH) through the statewide 211 system.

UNITED WAY OF CENTRAL MARYLAND, INC.

Notes to the Financial Statements June 30, 2021 and 2020

11. GRANT ACTIVITY INFORMATION (continued)

Health programs include the Access to Healthy Food Initiative, the first program created by UWCM to address the more than 345,000 food insecure people living in central Maryland. The goal is to increase the healthy food going into communities in need by 1.5 million pounds each year; increase sourcing which includes growing and gleaning through farm expansion and volunteers collecting the crops after the commercial harvest; improve distribution (refrigeration/transportation); and increase access and affordability through after-school meal programs, virtual supermarket expansion, "Veggie Vouchers" at farmers markets, education and access to public benefits. In addition, UWCM's Harvest of Plenty campaign (Thanksgiving meal baskets) serves an increasing number of families year after year. Healthy food is going to broaden and become part of a larger health program strategy to include 2-1-1 as the platform for access to health care. UWCM also received a significant grant to update the operating platform technology for 2-1-1. This will allow for a more comprehensive streamlined approach to the health and human service system. Significant partnership and collaboration activities will be created with this new platform providing an improved delivery of services to the community.

Family stability was created by UWCM with the help of a multi-year grant that renewed for a second term from The Siemer Family Foundation to target family stability, issues concerning student mobility, and homelessness prevention. A second multi-year grant from the city of Baltimore and a multi-year grant from Howard County government both focus on shelter diversion in those jurisdictions. The initiative includes homelessness prevention, shelter diversion and financial education. The prevention program is one-of-a-kind in central Maryland and targets families with school age children who are on the brink of homelessness. Shelter diversion efforts keep families together in stable living situations, where the children can stay in their neighborhood schools. Financial education builds financial security through asset building, budgeting, and financial literacy. The program is currently located in 15 sites across Maryland.

An Education Strategy named On Track 4 Success (OT4S), was launched in fiscal year 2017. OT4S is an innovative data-driven approach that is working to ensure underserved students have the resources they need to get and stay on-track for school success through the crucial middle school years and into the transitional 9th grade year. Supported by Johns Hopkins University's School of Education (JHU) and based on their early warning high school dropout prevention model, OT4S utilizes student data to examine proven predictors of dropping out: poor attendance, behavior and course performance (ABC's). When a student falls behind in any of these areas, a cross-disciplinary team of school staff, including a United Way social worker and site manager, meet to discuss the student's unique situation and determine appropriate interventions. In FY 2020 UWCM partnered with two school districts in Central Maryland and implemented the program in five schools: Baltimore City Public Schools (Maree G. Farring Elementary/Middle School, grades 4-8, Curtis Bay Elementary/Middle School, grades 4-8, and Ben Franklin High School, grade 9) and Anne Arundel County Public Schools (Meade Middle School, grades 6-8 and Meade High School, grade 9).

UNITED WAY OF CENTRAL MARYLAND, INC.

Notes to the Financial Statements June 30, 2021 and 2020

11. GRANT ACTIVITY INFORMATION (continued)

ALICE project is a grassroots movement committed to improving the lives of asset-limited, income-constrained, employed (ALICE) individuals and families. Grants from a collaborative of other local United Ways along with support from the National ALICE Advisory Council, have allowed UWCM to initiate this project, which provides a report with a framework and common language around issues facing the ALICE population in the state of Maryland. Data from the report will allow UWCM to identify advocacy priorities and implement needed programmatic services for the ALICE population. This report was published in January 2017 and has provided a mechanism for educating legislators and other stakeholders on the need in Maryland. Kaiser Permanente is the lead sponsor of the project.