

UNITED WAY OF ANCHORAGE  
Financial Statements, Supplementary Information,  
and Compliance Reports  
(With Independent Auditor's Report Thereon)  
Years Ended June 30, 2024 and 2023

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, 2024 and 2023, 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, 2024 and 2023, 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 October 15, 2024, 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.

*Altman, Rogers & Co.*

Anchorage, Alaska  
October 15, 2024

# UNITED WAY OF ANCHORAGE

## Statement of Financial Position

June 30, 2024

<u>Assets</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Current assets:			
Cash and cash equivalents	\$ 2,133,938	151,669	2,285,607
Investments (note 4)	4,107,782	-	4,107,782
Campaign receivables, net of allowance for credit losses of \$153,994 (note 3)	569,774	-	569,774
Grants, contributions and other receivables	878	1,275,464	1,276,342
Prepaid expenses and other assets	181,200	-	181,200
Total current assets	<u>6,993,572</u>	<u>1,427,133</u>	<u>8,420,705</u>
Investments (note 4)	-	1,337,837	1,337,837
Property and equipment, net (note 5)	<u>2,267,287</u>	<u>-</u>	<u>2,267,287</u>
Total assets	<u>\$ 9,260,859</u>	<u>2,764,970</u>	<u>12,025,829</u>
<u>Liabilities and Net Assets</u>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 607,024	-	607,024
Community investments and donor designations payable	1,264,388	-	1,264,388
Refundable advances and deferred contributions	3,147,317	-	3,147,317
Tenant security deposits	5,870	-	5,870
Total current liabilities	<u>5,024,599</u>	<u>-</u>	<u>5,024,599</u>
Net assets:			
Without donor restrictions:			
Undesignated	475,102	-	475,102
Board designated:			
Designated for current operations (note 2(b))	250,000	-	250,000
Contingency reserve	400,000	-	400,000
Board opportunity reserve	843,871	-	843,871
Designated for investment in property and equipment, net of debt	<u>2,267,287</u>	<u>-</u>	<u>2,267,287</u>
Total net assets without donor restriction	<u>4,236,260</u>	<u>-</u>	<u>4,236,260</u>
With donor restrictions (note 8):			
Perpetual in nature	-	1,337,837	1,337,837
Purpose restrictions	<u>-</u>	<u>1,427,133</u>	<u>1,427,133</u>
Total net assets with donor restriction	<u>-</u>	<u>2,764,970</u>	<u>2,764,970</u>
Total net assets	<u>4,236,260</u>	<u>2,764,970</u>	<u>7,001,230</u>
Total liabilities and net assets	<u>\$ 9,260,859</u>	<u>2,764,970</u>	<u>12,025,829</u>

See accompanying notes to financial statements.

# 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):			
Undesignated	3,971,007	-	3,971,007
Operating reserve	214,202	-	214,202
Campaign receivables, net of allowance for credit losses of \$503,690 (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
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	1,079,386	-	1,079,386
Board designated:			
Designated for current operations (note 2(b))	214,202	-	214,202
Contingency reserve	-	-	-
Board opportunity reserve	1,185,000	-	1,185,000
Designated for investment in property and equipment, net of debt	<u>1,823,490</u>	<u>-</u>	<u>1,823,490</u>
Total net assets without donor restriction	<u>4,302,078</u>	<u>-</u>	<u>4,302,078</u>
With donor restrictions (note 8):			
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 Activities

Year ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support:			
Campaign results:			
United Way of Anchorage	\$ 3,254,041	247,912	3,501,953
Public campaigns:			
SHARE	3,872	-	3,872
Municipal Employees	364	-	364
Collections of prior year campaign contributions	16,435	-	16,435
Total campaign results	3,274,712	247,912	3,522,624
Less:			
Donor designations	(1,046,205)	-	(1,046,205)
Uncollectible campaign pledges (expense) recovery	293,578	-	293,578
Net campaign results	2,522,085	247,912	2,769,997
Designations from other United Ways	3,568	-	3,568
Collections of prior year campaign contributions more than amount anticipated	-	-	-
Donor designation and contracted services fees	194,603	-	194,603
Grants and contributions	9,229	6,177,424	6,186,653
Rental income (note 7)	181,747	-	181,747
Contributed nonfinancial assets	250,958	-	250,958
PPP loan forgiveness	-	-	-
Investment income, net	537,158	64,900	602,058
Other	39,951	-	39,951
Net assets released from restrictions (note 8)	6,704,585	(6,704,585)	-
Total revenues, gains (loss), and other support	10,443,884	(214,349)	10,229,535
Expenses:			
Program services:			
Housing	1,156,682	-	1,156,682
Community	4,291,419	-	4,291,419
COVID-19 community support	-	-	-
Board-directed community investment	738,070	-	738,070
Grants, sponsorships, and other programs	2,893,910	-	2,893,910
Supporting services:			
Management and general	420,352	-	420,352
Fundraising	1,009,269	-	1,009,269
Total expenses	10,509,702	-	10,509,702
Change in net assets	(65,818)	(214,349)	(280,167)
Net assets at beginning of year	4,302,078	2,979,319	7,281,397
Net assets at end of year	\$ 4,236,260	2,764,970	7,001,230

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
Collections of prior year campaign contributions	65,435		65,435
Total campaign results	<u>3,801,765</u>	<u>202,133</u>	<u>4,003,898</u>
Less:			
Donor designations	(1,115,706)	(45,135)	(1,160,841)
Uncollectible campaign pledges (expense) recovery	<u>(174,378)</u>	<u>(17,752)</u>	<u>(192,130)</u>
Net campaign results	<u>2,511,681</u>	<u>139,246</u>	<u>2,650,927</u>
Designations from other United Ways	49,046	-	49,046
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)	<u>6,004,136</u>	<u>(6,004,136)</u>	<u>-</u>
Total revenues, gains (loss), and other support	<u>10,763,946</u>	<u>(882,124)</u>	<u>9,881,822</u>
Expenses:			
Program services:			
Housing	1,084,711	-	1,084,711
Community	4,288,683	-	4,288,683
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	<u>947,224</u>	<u>-</u>	<u>947,224</u>
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 Functional Expenses

Year ended June 30, 2024

	Program services			Supporting services			
	Housing	Community	Total	Management and General	Fundraising	Total	Total
Employee compensation:							
Salaries	\$ 431,167	1,406,392	1,837,559	856,359	575,742	1,432,101	3,269,660
Payroll taxes and fringe benefits	110,504	493,807	604,311	233,748	168,513	402,261	1,006,572
Total employee compensation	541,671	1,900,199	2,441,870	1,090,107	744,255	1,834,362	4,276,232
Professional fees	234,239	205,288	439,527	221,400	166,121	387,521	827,048
Building operating expenses, including depreciation of \$90,821	21,209	275,720	296,929	21,209	21,209	42,418	339,347
Supplies & IT	10,239	34,184	44,423	191,518	54,544	246,062	290,485
Occupancy expenses	22,309	95,263	117,572	47,505	36,773	84,278	201,850
Awards and publicity	16,395	523,635	540,030	20,989	19,326	40,315	580,345
Equipment rental and repairs	1,548	10,080	11,628	27,479	17,762	45,241	56,869
Membership dues	113	606	719	60,587	667	61,254	61,973
Conferences, conventions, meetings, and major trips	2,746	14	2,760	1,578	624	2,202	4,962
Gaming expenses	-	-	-	3,214	-	3,214	3,214
Local transportation and meals	17,494	21,192	38,686	8,733	27,450	36,183	74,869
Depreciation	-	-	-	22,100	-	22,100	22,100
Banking fees	-	-	-	30,919	54	30,973	30,973
Telephone	553	41,319	41,872	5,414	19,392	24,806	66,678
Insurance	-	567	567	26,780	67	26,847	27,414
Postage and shipping	84	1,486	1,570	2,265	3,485	5,750	7,320
Distribution of allocable expenses	288,060	1,178,429	1,466,489	(1,363,590)	(102,899)	(1,466,489)	-
Other	22	3,437	3,459	2,145	439	2,584	6,043
Expenses before board-directed community investment and grants, sponsorships, and other programs	1,156,682	4,291,419	5,448,101	420,352	1,009,269	1,429,621	6,877,722
COVID-19 community support	-	-	-	-	-	-	-
Board-directed community investment	-	738,070	738,070	-	-	-	738,070
Grants, sponsorships and other programs	2,872,142	21,743	2,893,885	-	25	25	2,893,910
Total program and supporting service \$	4,028,824	5,051,232	9,080,056	420,352	1,009,294	1,429,646	10,509,702

See accompanying notes to financial statements.

# UNITED WAY OF ANCHORAGE

## Statement of Functional Expenses

Year ended June 30, 2023

	Program services			Supporting services			
	Housing	Community	Total	Management and General	Fundraising	Total	Total
Employee compensation:							
Salaries	\$ 254,347	1,220,502	1,474,849	1,426,419	266,024	1,692,443	3,167,292
Payroll taxes and fringe benefits	67,257	366,132	433,389	399,039	62,093	461,132	894,521
Total employee compensation	321,604	1,586,634	1,908,238	1,825,458	328,117	2,153,575	4,061,813
Professional fees	537,701	569,088	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 & IT	10,231	25,738	35,969	13,524	16,594	30,118	66,087
Occupancy expenses	29,557	140,282	169,839	86,331	21,523	107,854	277,693
Awards and publicity	5,320	391,909	397,229	81,126	40,220	121,346	518,575
Equipment rental and repairs	2,918	59,674	62,592	50,303	10,727	61,030	123,622
Membership dues	-	14,855	14,855	192,784	12,731	205,515	220,370
Conferences, conventions, meetings, and major trips	3,083	14,622	17,705	17,420	3,100	20,520	38,225
Gaming expenses	-	-	-	628	6,468	7,096	7,096
Local transportation and meals	2,548	14,441	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	2,020	36,461	38,481	23,516	-	23,516	61,997
Insurance	-	106	106	26,251	-	26,251	26,357
Postage and shipping	164	1,402	1,566	1,286	3,232	4,518	6,084
Distribution of allocable expenses	169,565	939,910	1,109,475	(1,524,790)	415,315	(1,109,475)	-
Other	-	54,189	54,189	550	4,320	4,870	59,059
Expenses before board-directed community investment and grants, sponsorships, and other programs	1,084,711	4,288,683	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	-	750,000	750,000	-	-	-	750,000
Grants, sponsorships and other programs	1,727,470	745,863	2,473,333	5,569	90	5,659	2,478,992
Total program and supporting services	\$ 2,812,181	5,831,239	8,643,420	1,119,335	947,314	2,066,649	10,710,069

See accompanying notes to financial statements.

# UNITED WAY OF ANCHORAGE

## Statements of Cash Flows

June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows provided (used) by operating activities:		
Change in net assets	\$ (280,167)	(828,247)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	112,921	96,666
Credit losses expense (recovery)	(293,578)	192,130
Net realized and unrealized investment (gain)	(465,421)	(347,451)
Forgiveness of debt from PPP loan	-	(590,000)
Loss on disposal of capital assets	6,796	-
Changes in assets and liabilities that provided (used) cash:		
Campaign receivables	130,225	81,598
Due from public campaigns	-	60,958
Grants and contributions receivable	(100,547)	1,643,344
Prepaid expenses and other assets	(33,490)	102,896
Accounts payable and accrued liabilities	(27,637)	(1,143,959)
Community investments and donor designations payable	(92,026)	(341,110)
Refundable advances and deferred contributions	(1,081,766)	2,257,844
Tenant security deposits	(10,897)	(1,009)
Net cash provided (used) by provided by operating activities	<u>(2,135,587)</u>	<u>1,183,660</u>
Cash flows provided (used) by investing activities:		
Purchase of capital assets	(563,514)	-
Sale of investments	1,777,291	1,021,180
Purchase of investments	<u>(1,342,893)</u>	<u>(895,223)</u>
Net cash provided (used) by investing activities	<u>(129,116)</u>	<u>125,957</u>
Change in cash and cash equivalents	(2,264,703)	1,309,617
Cash and cash equivalents at beginning of year	<u>4,550,310</u>	<u>3,240,693</u>
Cash and cash equivalents at end of year	<u>\$ 2,285,607</u>	<u>4,550,310</u>
Supplemental disclosure of cash flow information:		
Contributed nonfinancial assets	<u>\$ 250,958</u>	<u>407,766</u>

See accompanying notes to financial statements.

# UNITED WAY OF ANCHORAGE

## Notes to Financial Statements

Years Ended June 30, 2024 and 2023

### (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 2023 and 2022 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.

*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, 2024 and 2023 was \$250,000 per financial institution. Uninsured and uncollateralized amounts were \$685,175 and \$2,737,285 at June 30, 2024 and 2023, respectively. Management believes that credit risk related to these deposits is minimal.

**(d) *Accounts Receivable***

Accounts and grants receivable are stated at the amount management expects to collect on outstanding balances other than campaign pledges. All accounts were deemed to be fully collectible by management and an allowance for credit losses has not been established, accordingly. Receivables are considered for credit loss on a case-by-case basis and written off when all collection efforts have been exhausted.

**(e) *Investments***

Investments are recorded when 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 gains and losses, less external and direct internal investment expenses.

**(f) *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.

## UNITED WAY OF ANCHORAGE

### Notes to Financial Statements, Continued

#### **(g) *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 three to seven years.

#### **(h) *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.

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, 2024 and 2023 because qualifying expenditures have not yet been incurred, with advance payments of \$3,098,067 and \$4,177,681 recognized in the Statements of Financial Position as refundable advances as of June 30, 2024 and 2023, respectively. The Organization also receives advanced payment for corporate matches to future campaigns. As of June 30, 2024 and 2023 United Way of Anchorage had deferred contributions of \$49,250 and \$51,402, respectively.

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.

Campaign pledges less the allowance for credit losses 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.



# UNITED WAY OF ANCHORAGE

## Notes to Financial Statements, Continued

### (i) **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.

### (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.

Contributions of professional services, rent 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 \$200,460 through March 31, 2024 and \$275,838 in 2023.

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

June 30, 2024	Housing	Community	Management and General	Fundraising	Total
Supplies	\$ -	1,428	71	901	2,400
Occupancy expenses	16,923	88,486	42,119	52,932	200,460
Awards and publicity	20	42,923	209	2,288	45,440
Postage and shipping	-	-	-	8	8
Equipment rental and repairs	-	-	-	400	400
Telephone	-	2,250	-	-	2,250
Total	\$ 16,943	135,087	42,399	56,529	250,958

June 30, 2023	Housing	Community	Management and General	Fundraising	Total
Professional fees	\$ 5,800	21,632	589	902	28,923
Supplies	35	659	268	2,228	3,190
Occupancy expenses	31,056	136,929	86,330	21,523	275,838
Awards and publicity	-	32,365	-	38,517	70,882
Equipment rental and repairs	-	25,675	258	-	25,933
Telephone	500	2,500	-	-	3,000
Total	\$ 37,391	219,760	87,445	63,170	407,766

## UNITED WAY OF ANCHORAGE

### Notes to Financial Statements, Continued

#### **(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, 2024 and 2023 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, 2021.

#### **(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:

*Housing* – United Way prevents homelessness and supports housing stability through the Eviction Diversion program, Landlord Housing Partnership, and Home for Good Anchorage. United Way partners with government, community organizations, and philanthropic organizations to provide resources and support across different levels of need. United Way's housing programs and partnership help the community move toward the goal of making homelessness a rare, brief, and one time event.

*Community* – United Way engages in a variety of activities aimed at fostering collaboration to achieve shared common goals and derive measurable improvements for the Anchorage community. This work includes the assistance provided through 2-1-1, when individuals or families are in financially precarious positions where their healthcare is impacted, working with improvements for students in our community, and working with partners across all sectors of the Anchorage community to develop and implement needed programs.

Supporting 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.

# UNITED WAY OF ANCHORAGE

## Notes to Financial Statements, Continued

### (m) Advertising Costs

Advertising costs are expensed as incurred. Advertising expenses for the years ended June 30, 2024 and 2023 were \$506,571 and \$517,467, respectively.

### (3) Campaign Receivables

A summary of campaign receivables at June 30 follows:

	2024	2023
Fall 2023 and 2022	\$ 723,768	881,546
SHARE	-	24,090
Municipal Employees	-	4,475
	<u>723,768</u>	<u>910,111</u>
Less allowance for credit losses	<u>(153,994)</u>	<u>(503,690)</u>
	<u>\$ 569,774</u>	<u>406,421</u>

### (4) Investments

Fair market value summary of mutual fund and Exchange Traded Fund (ETF) investments at June 30 follows:

	2024	2023
Mutual Funds and ETFs:		
Equities:		
Large value	\$ 1,141,984	1,119,243
Large growth	454,796	377,347
Large blend	470,662	421,931
Mid cap blend	374,483	364,715
Small blend	263,036	274,519
Real estate	147,606	153,951
Multisector bond	-	16,816
Non-traditional bond	-	8,582
Diversified emerging markets	212,660	219,018
International equities:		
Large value	243,068	246,541
Large growth	300,868	300,976
Fixed income:		
Corporate bonds	1,824,010	1,869,291
Treasury bonds	6,291	19,284
Municipal bonds	6,155	5,932
Beneficial interest in Alaska		
Community Foundation	-	16,450
Total investments	<u>\$ 5,445,619</u>	<u>5,414,596</u>
With donor restrictions	\$ 1,337,837	1,229,387
Without donor restrictions	<u>4,107,782</u>	<u>4,185,209</u>
Total investments	<u>\$ 5,445,619</u>	<u>5,414,596</u>

# UNITED WAY OF ANCHORAGE

## Notes to Financial Statements, Continued

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.

### (5) Property and Equipment

A summary of property and equipment at June 30 follows:

	2024	2023
Land	\$ 351,388	351,388
Buildings	3,417,936	3,140,780
Office equipment and furniture	350,406	323,532
	<u>4,119,730</u>	<u>3,815,700</u>
Accumulated depreciation	(1,852,443)	(1,992,210)
	<u>\$ 2,267,287</u>	<u>1,823,490</u>

Depreciation expense for the years ended June 30, 2024 and 2023 was \$112,921 and \$96,666, 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.

# UNITED WAY OF ANCHORAGE

## Notes to Financial Statements, Continued

### (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 \$1,984,057 and \$1,797,813 at June 30, 2024 and 2023, respectively. Rent revenue is being recognized at the fair value over the term of the lease agreements. During the years ended June 30, 2024 and 2023, United Way recognized \$181,747 and \$481,900, respectively, in rental income, of which \$52,745 and \$173,928, 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, 2024 are as follows:

Year ending June 30:	Amount
2025	\$ 26,542

### (8) Net Assets with Donor Restrictions

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

	2024	2023
Points of Light	\$ 7,953	8,178
Settlement Fund	7,151	8,196
Walk for Warmth	-	6,451
Kickoff Event	5,830	12,494
2-1-1 Call Center Operations	101,673	557,220
2-1-1 Administration	149,612	-
ACF - Homelessness	-	263
Education Initiatives	48,187	136,421
Donations - Fighting Homelessness	359,239	308,856
Cradle to Career	55,819	56,717
Anchorage Academies	32,367	-
ACF Prevent Homelessness	-	1,886
ACF UWA Education	-	787
Alaska Community Foundation	-	182
Providence - Landlord Liaison	122,172	154,455
Providence - Landlord Housing Partnership	88,017	-
Stutzer Back on Track	94,810	87,303
Janet Weiss Education Opportunity	47,424	40,244
Donations - Hunger Relief	3,879	-
Muni Outcome	303,000	303,000
FY23 Restaurant and Hunger Relief	-	23,729
	<u>\$ 1,427,133</u>	<u>1,706,382</u>

# UNITED WAY OF ANCHORAGE

## Notes to Financial Statements, Continued

Net assets with donor restrictions that are perpetual in nature at June 30, 2024 and 2023 consist of the Lucy Cuddy Endowment with a balance of \$1,337,837 and \$1,272,937, respectively. Earnings on the endowment are reported as "with donor restriction" until the earnings are approved to be released from restriction by the Board of Directors as part of the annual budgeting process.

Net assets of \$6,704,585 in 2024 and \$6,004,136 in 2023 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	\$ 2,133,938
Operating investments	4,107,782
Campaign receivables, net	569,774
Grants, contributions and other receivables	878
	<u>\$ 6,812,372</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 \$250,000 and \$221,441 as of June 30, 2023 and 2024, respectively.

### (11) Grants and Contributions

A summary of governmental and local grant revenue for the years ended June 30, 2024 and 2023 follows:

	2024	2023
Federal	\$ 4,000,219	3,210,720
State of Alaska	321,179	105,528
Local	1,915,255	1,595,249
Total grants and contributions	<u>\$ 6,186,653</u>	<u>4,911,497</u>

## UNITED WAY OF ANCHORAGE

### Notes to Financial Statements, Continued

#### **(12) Retirement Plan**

United Way of Anchorage maintains a tax sheltered annuity plan (403(b)) for qualifying employees. Employees who have completed at least one year and 1,000 hours of service are eligible under the plan after eligibility requirements have been met. Contributions are determined by the Board of Directors. Contributions of \$144,676 and \$89,387 were made to the plan during the years ended June 30, 2024 and 2023, respectively.

#### **(13) Recent Accounting Pronouncements**

In June 2016, FASB issued ASU 2016-13, *Financial Instruments – Credit Losses* (Topic 326): Measurement of Credit Losses of Financial Instruments, which replaced the current incurred loss impairment model with a methodology that reflected expected credit losses. Under the new methodology, organizations will measure expected credit losses on financial instruments measured at amortized cost, based on historical experience, current conditions, and reasonable and supportable forecasts. For trade receivables and other financial instruments, United Way of Anchorage is required to use a forward-looking expected loss model rather than the incurred loss model for recognizing credit losses which reflects losses that are probable. United Way of Anchorage adopted the new guidance effective July 1, 2023. Adoption of the new standard resulted in changes to the Organization's accounting policy and disclosures related to its allowance for expected credit losses. The impact of adopting this standard on its financial statements was not material and no cumulative transition adjustment was required. All periods presented have retroactively applied the Standard.

#### **(14) 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.

#### **(15) Subsequent Events**

Management has evaluated subsequent events through October 15, 2024, the date which the financial statements were available for issue.

**UNITED WAY OF ANCHORAGE**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year Ended June 30, 2024

<u>Grantor/Program Name</u>	<u>Grant Number or Pass-through Entity Identifying Number</u>	<u>Assistance Listing Number</u>	<u>Total Grant Amount</u>	<u>Passed through to Subrecipients</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services:					
Direct:					
Social Services Research and Demonstration	90XP0456-01-02	93.647	\$ 1,000,000	-	444,311
Cooperative Agreement to Support Navigators in Federally-Facilitated Exchanges	NAVCA210412-02-00	93.332	1,500,000	-	306,878
Cooperative Agreement to Support Navigators in Federally-Facilitated Exchanges	NAVCA210412-03-00	93.332	1,640,000	-	1,464,011
Total ALN # 93.332			<u>3,140,000</u>	<u>-</u>	<u>1,770,889</u>
Passed through Municipality of Anchorage:					
Landlord Housing Partnership	2024000592	93.391	125,000	-	77,715
Landlord Housing Partnership	2024000592	93.268	125,000	-	77,715
Total passed through Municipality of Anchorage			<u>250,000</u>	<u>-</u>	<u>155,430</u>
Total U.S. Department of Health and Human Services			<u>4,390,000</u>	<u>-</u>	<u>2,370,630</u>
U.S. Department of the Treasury:					
Passed through Municipality of Anchorage:					
COVID-19 Landlord Housing Partnership (Phase 2)	ARPA AR2022-178(S)	21.027	600,000	-	347,117
U.S. Department of Homeland Security:					
Direct:					
COVID-19 FEMA - Emergency Food and Shelter National Board Program	ARPAR-0188-00-012	97.024	2,750,000	1,190,520	1,282,472
Total expenditures of federal awards			<u>\$ 7,740,000</u>	<u>1,190,520</u>	<u>4,000,219</u>

See accompanying notes to the Schedule.



# UNITED WAY OF ANCHORAGE

## Notes to Schedule of Expenditures of Federal Awards

June 30, 2024

### **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, 2024. 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 to Subrecipients**

The following amount was passed through to subrecipients:

ALN #97.024:

Emergency Food and Shelter National Board Program

\$ 1,190,520

**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, 2024, 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 October 15, 2024.

***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.

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.

*Altman, Rogers & Co.*

Anchorage, Alaska  
October 15, 2024

**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, 2024. 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, 2024.

***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.



Anchorage, Alaska  
October 15, 2024

UNITED WAY OF ANCHORAGE

Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

**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 –

Landlord Housing Partnership

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.