

Consolidated Financial Statements and  
Report of Independent Certified Public  
Accountants

**United Way of Metropolitan Chicago, Inc.**

June 30, 2022 and 2021

## Contents

	Page
Report of Independent Certified Public Accountants	3
Consolidated Financial Statements	
Consolidated statements of financial position	6
Consolidated statements of activities	7
Consolidated statements of cash flows	9
Consolidated statements of functional expenses	10
Notes to consolidated financial statements	11
Supplementary Information	
Consolidating statement of financial position	30
Consolidating statement of activities	31
Consolidated year-end financial report	32

---

**GRANT THORNTON LLP**

Grant Thornton Tower  
171 N. Clark St. Suite 200  
Chicago, IL 60601-3370

**D** +1 312 256 0200

**F** +1 312 602 8099

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

Board of Directors  
United Way of Metropolitan Chicago, Inc.

**Report on the financial statements****Opinion**

We have audited the consolidated financial statements of United Way of Metropolitan Chicago, Inc., a nonprofit organization, (the "Entity"), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated 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 accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Entity as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for opinion**

We conducted our audit of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Entity and to meet our other ethical responsibilities in accordance with the 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 audit opinion.

**Responsibilities of management for the financial statements**

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Entity's ability to continue as a going concern for one year after the date 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 consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS 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 consolidated financial statements.

In performing an audit in accordance with US GAAS 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 consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Entity'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 consolidated financial statements as a whole. The consolidating information on page 30 and 31 and the consolidated year-end financial report, as required by the Illinois Grant Accountability and Transparency Act, on page 32 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling such information directly to the underlying accounting and

other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with US GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

*Grant Thornton LLP*

Chicago, Illinois  
November 28, 2022

United Way of Metropolitan Chicago, Inc.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30,  
(Dollars in thousands)

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 40,380.0	\$ 46,592.3
Pledges receivable, net	7,957.3	12,919.2
Beneficial interest in split-interest agreement	79.4	101.5
Other receivables and prepaid expenses	<u>618.9</u>	<u>652.3</u>
Total current assets	49,035.5	60,265.3
<b>Long-term pledges receivable, net</b>	-	149.9
<b>Beneficial interest in split-interest agreement, long term</b>	714.2	913.5
<b>Investments</b>	8,181.0	8,814.1
<b>Property and equipment, net</b>	<u>773.4</u>	<u>1,065.4</u>
Total assets	<u>\$ 58,704.2</u>	<u>\$ 71,208.2</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 2,657.5	\$ 3,745.2
Designation and pledge processing payables	1,270.5	947.0
Deferred rent	1,407.8	847.3
Refundable advance	2,000.0	2,000.0
Loan payable	<u>2,000.0</u>	<u>800.0</u>
Total current liabilities	9,335.8	8,339.5
<b>Non-current liabilities</b>		
Loan payable	-	2,000.0
Deferred rent	-	1,031.5
Asset retirement obligation	252.2	246.1
Obligations for retirement benefits	<u>696.7</u>	<u>1,130.1</u>
Total non-current liabilities	<u>948.9</u>	<u>4,407.7</u>
Total liabilities	10,284.7	12,747.2
<b>Net assets</b>		
Without donor restrictions	19,697.7	23,951.7
With donor restrictions	<u>28,721.8</u>	<u>34,509.3</u>
Total net assets	<u>48,419.5</u>	<u>58,461.0</u>
Total liabilities and net assets	<u>\$ 58,704.2</u>	<u>\$ 71,208.2</u>

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

United Way of Metropolitan Chicago, Inc.

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended June 30, 2022  
(Dollars in thousands)

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating</b>			
Public support and other revenue			
Current year campaign	\$ 28,929.3	\$ 9,163.6	\$ 38,092.9
Amounts designated to other organizations	(16,201.3)	-	(16,201.3)
Provision for uncollectible pledges	-	(760.0)	(760.0)
Net from current year campaign	12,728.0	8,403.6	21,131.6
Contributions received for future campaigns	0.1	0.1	0.2
Collections from, and adjustments to, prior years' campaigns	62.8	-	62.8
Net assets released from time restrictions	5,267.8	(5,267.8)	-
Net campaign revenue	18,058.7	3,135.9	21,194.6
Other public support and other revenue			
Grants and other contributions	6,267.6	2,236.0	8,503.6
Paycheck Protection Program	-	-	-
Gifts in-kind and contributed services	811.4	-	811.4
Net assets released from purpose restrictions	12,564.1	(12,564.1)	-
Net assets restricted in consolidation	(2,767.3)	2,767.3	-
Pledges and designations processing fees and other revenue	395.3	-	395.3
Total other public support and other revenue	17,271.1	(7,560.8)	9,710.3
Total public support and other revenue	35,329.8	(4,424.9)	30,904.9
Grantmaking and other expenses			
Programs			
Grantmaking and other funding	42,119.5	-	42,119.5
Less amounts designated to other organizations	(16,201.3)	-	(16,201.3)
Other program expenses	5,179.6	-	5,179.6
Total programs	31,097.8	-	31,097.8
Management and general	4,197.7	-	4,197.7
Fundraising	2,571.8	-	2,571.8
Total grantmaking and other expenses	37,867.3	-	37,867.3
Changes in net assets from operations	(2,537.5)	(4,424.9)	(6,962.4)
<b>Non-operating activities</b>			
Investment return, net	(246.2)	(903.8)	(1,150.0)
Interest expense	(51.7)	-	(51.7)
Endowment contributions	584.4	-	584.4
Net assets released from time restriction	342.0	(342.0)	.0
Lease termination expense	(1,422.6)	-	(1,422.6)
Distribution of net assets	(1,274.0)	-	(1,274.0)
Change in value of split-interest agreements	-	(116.8)	(116.8)
Total non-operating activities	(2,068.1)	(1,362.6)	(3,430.7)
Changes in net assets before pension-related changes	(4,605.6)	(5,787.5)	(10,393.1)
Pension-related changes other than net periodic pension cost	351.6	-	351.6
<b>CHANGES IN NET ASSETS</b>	(4,254.0)	(5,787.5)	(10,041.5)
Net assets, beginning of year	23,951.7	34,509.3	58,461.0
Net assets, end of year	<u>\$ 19,697.7</u>	<u>\$ 28,721.8</u>	<u>\$ 48,419.5</u>

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

**United Way of Metropolitan Chicago, Inc.**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**Year ended June 30, 2021**  
**(Dollars in thousands)**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Operating</b>			
Public support and other revenue			
Current year campaign	\$ 56,105.7	\$ 8,508.6	\$ 64,614.3
Amounts designated to other organizations	(16,047.6)	-	(16,047.6)
Provision for uncollectible pledges	-	(915.0)	(915.0)
Net from current year campaign	40,058.1	7,593.6	47,651.7
Contributions received for future campaigns	-	0.7	0.7
Collections from, and adjustments to, prior years' campaigns	1,167.2	-	1,167.2
Net assets released from time restrictions	5,369.0	(5,369.0)	-
Net campaign revenue	46,594.3	2,225.3	48,819.6
Other public support and other revenue			
Grants and other contributions	12,395.9	3,513.2	15,909.1
Paycheck Protection Program	8.5	-	8.5
Gifts in-kind and contributed services	1,444.6	-	1,444.6
Net assets released from purpose restrictions	15,345.8	(15,345.8)	-
Net assets restricted in consolidation	(1,883.3)	1,883.3	-
Pledges and designations processing fees and other revenue	360.3	-	360.3
Total other public support and other revenue	27,671.8	(9,949.3)	17,722.5
Total public support and other revenue	74,266.1	(7,724.0)	66,542.1
Grantmaking and other expenses			
Programs			
Grantmaking and other funding	39,646.0	-	39,646.0
Less amounts designated to other organizations	(16,047.6)	-	(16,047.6)
Other program expenses	16,264.0	-	16,264.0
Total programs	39,862.4	-	39,862.4
Management and general	4,379.0	-	4,379.0
Fundraising	2,848.6	-	2,848.6
Total grantmaking and other expenses	47,090.0	-	47,090.0
Changes in net assets from operations	27,176.1	(7,724.0)	19,452.1
<b>Non-operating activities</b>			
Investment return, net	524.1	1,439.4	1,963.5
Interest expense	(72.4)	-	(72.4)
Endowment contributions	14.1	-	14.1
Net assets released from time restriction	302.0	(302.0)	-
Change in value of split-interest agreements	-	209.9	209.9
Total non-operating activities	767.8	1,347.3	2,115.1
Changes in net assets before pension-related changes	27,943.9	(6,376.7)	21,567.2
Pension-related changes other than net periodic pension cost	704.1	-	704.1
<b>CHANGES IN NET ASSETS</b>	28,648.0	(6,376.7)	22,271.3
Net assets, beginning of year	(4,696.3)	40,886.0	36,189.7
Net assets, end of year	<u>\$ 23,951.7</u>	<u>\$ 34,509.3</u>	<u>\$ 58,461.0</u>

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

United Way of Metropolitan Chicago, Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended June 30,  
(Dollars in thousands)

	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities:</b>		
Changes in net assets	\$ (10,041.5)	\$ 22,271.3
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	302.9	181.4
Realized and unrealized investment losses (gains)	1,314.5	(1,650.4)
Changes in operating assets and liabilities:		
Pledges receivable	5,111.8	11,724.9
Beneficial interest in split-interest agreements	221.4	(113.4)
Other receivables and prepaid expenses	33.4	459.0
Refundable advance	-	2,000.0
Deferred rent	(470.9)	(218.4)
Designation and pledge processing payables	323.5	(1,842.9)
Accounts payable and accrued expenses	(1,087.7)	1,217.0
Obligations for retirement benefits	(433.4)	(648.1)
Asset retirement obligation	6.1	6.1
	<u>(4,719.9)</u>	<u>33,386.5</u>
Net cash (used in) provided by operating activities		
	(4,719.9)	33,386.5
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(10.9)	(33.1)
Sales of investments	342.0	302.0
Purchases of investments	(1,023.4)	(212.8)
	<u>(692.4)</u>	<u>56.1</u>
Net cash provided by investing activities		
	(692.4)	56.1
<b>Cash flows from financing activities:</b>		
Principal payment on debt	(800.0)	(400.0)
	<u>(800.0)</u>	<u>(400.0)</u>
Net cash used in financing activities		
	(800.0)	(400.0)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<u>(6,212.3)</u>	<u>33,042.6</u>
<b>Cash and cash equivalents, beginning of year</b>	<u>46,592.3</u>	<u>13,549.7</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 40,380.0</u>	<u>\$ 46,592.3</u>
<b>Supplemental data:</b>		
Cash paid during the year for interest	<u>\$ 51.7</u>	<u>\$ 72.4</u>

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

United Way of Metropolitan Chicago, Inc.

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

Years ended June 30,  
(Dollars in thousands)

	2022			2021				
	Programs	Management and General	Fundraising	Total	Programs	Management and General	Fundraising	Total
Grantmaking and other funding	\$ 42,119.5	\$ -	\$ -	\$ 42,119.5	\$ 39,646.0	\$ -	\$ -	\$ 39,646.0
Less amounts designated to other organizations	(16,201.3)	-	-	(16,201.3)	(16,047.6)	-	-	(16,047.6)
Net grantmaking and other funding	25,918.2	-	-	25,918.2	23,598.4	-	-	23,598.4
Salaries	2,188.7	2,069.1	1,490.4	5,748.2	3,464.5	2,005.6	1,645.4	7,115.5
Defined benefit plan (frozen)	-	(46.8)	-	(46.8)	-	0.2	-	0.2
Benefits and payroll taxes	445.3	401.3	278.7	1,125.3	627.0	424.3	332.4	1,383.7
Total salaries and related expenses	2,634.0	2,423.6	1,769.1	6,826.7	4,091.5	2,430.1	1,977.8	8,499.4
Professional fees	1,336.5	713.1	165.3	2,215.0	10,658.7	1,014.9	260.5	11,934.1
Office supplies and expenses	9.1	10.9	3.9	23.9	32.5	10.1	5.8	48.4
Telephone	0.7	35.7	0.6	36.9	12.5	21.2	-	33.7
Postage and related expenses	4.1	9.7	11.8	25.6	2.2	15.8	12.2	30.2
Occupancy	160.3	267.4	168.2	595.8	223.4	337.6	247.6	808.6
Equipment rental and maintenance	1.8	121.4	0.9	124.2	10.4	111.2	0.3	121.9
Printing, publications and advertising	680.6	83.1	104.1	867.7	858.9	59.5	73.3	991.7
Employee business expenses	21.3	14.5	15.7	51.6	8.2	3.6	1.2	13.0
Meetings and events	10.7	(5.3)	1.5	6.9	4.1	1.5	1.1	6.7
Dues - United Way Worldwide	201.4	335.7	211.4	748.4	178.8	271.1	198.2	648.1
Insurance and miscellaneous	37.6	52.0	33.8	123.5	132.7	26.7	15.0	174.4
Total expenses before provision for depreciation and amortization	31,016.3	4,061.8	2,486.3	37,564.4	39,812.3	4,303.3	2,793.0	46,908.6
Depreciation and amortization	81.5	135.9	85.5	302.9	50.1	75.7	55.6	181.4
Total functional expenses	\$ 31,097.8	\$ 4,197.7	\$ 2,571.8	\$ 37,867.3	\$ 39,862.4	\$ 4,379.0	\$ 2,848.6	\$ 47,090.0

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

**United Way of Metropolitan Chicago, Inc.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**June 30, 2022 and 2021**  
**(Dollars in thousands)**

**NOTE A - NATURE OF ORGANIZATION AND RELATED-PARTY TRANSACTIONS**

United Way of Metropolitan Chicago, Inc. (“UWMC”) is an Illinois non-profit philanthropic corporation whose mission is to improve lives in the metropolitan Chicago area by mobilizing caring people to invest in the community where their resources are needed the most. In April 2018, UWMC and Robert R. McCormick Foundation (“McCormick”) established a 501(c)(3) organization, the United Way - McCormick Partnership for Strong Neighborhoods, Inc. (“UWMP” or “Partnership”). UWMC controls UWMP through its voting interests. UWMC and UWMP, collectively, are referred to as the “Organization.”

The Organization serves as a critical community convener, generating and coordinating resources across individual donors, corporations, service providers, and government and civic leaders to improve lives and strengthen neighborhoods on a meaningful scale.

The vision of the Organization is that greater Chicago neighborhoods are all places where people want to live, and where individuals and families can readily access the tools, resources and systems they need to succeed. The Organization funds best-in-class human service agencies that provide education, financial stability, health and basic needs support in high-need communities; invests in and co-builds solutions on the ground to address specific neighborhood challenges; convenes community leaders to make systemic change and advocates on behalf of families and human services. To raise support for its work, the Organization conducts workplace giving campaigns each year, beginning in late summer and lasting approximately 18 months through the end of the subsequent calendar year. The Organization also receives individual and major gifts outside of the workplace, and grants and other contributions directly from private foundations and other organizations. These funds are reflected as “grants and other contributions” on the consolidated statements of activities.

Contributions are also received through the Organization and distributed to additional designated agencies at the specific request of its donors, thus acting as a fiscal agent on behalf of its donors. A decrease in undesignated contributions from corporate and individual donors may adversely affect the Organization’s ability to execute its mission and achieve its vision for the metropolitan Chicago region.

Several companies managed by members of the Organization’s Boards of Directors traditionally conduct campaigns in the ordinary course of business. In addition, the Organization receives contributions directly from members of the Organization’s Boards of Directors. Such amounts, received from the directors, totaled \$715.1 and \$717.0 for the years ended June 30, 2022 and 2021, respectively.

Effective at the close of business on June 30, 2021, UWMC acquired the Barrington Area United Way without transferring consideration.

The fair values of Barrington Area United Way’s assets and liabilities at the acquisition date were as follows:

Cash and cash equivalents	\$	55.8
Accounts payable and accrued expenses		(8.5)
	\$	<u>47.3</u>

***Principles of Consolidation***

The consolidated financial statements include the accounts and activities of UWMC and UWMP. Reclassifications from net assets without donor restriction to net assets with donor restriction of \$2,767.3 and \$1,883.3 are included in the 2022 and 2021 consolidated statements of activities, respectively, to reflect that UWMP’s net assets without donor restriction are for a purpose narrower than that of UWMC. All significant transactions have been eliminated in the consolidated financial statements.

United Way of Metropolitan Chicago, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021  
(Dollars in thousands)

UWMP was organized and operates exclusively for charitable and educational purposes. Specifically, the Partnership was established to make grants with the objective of creating positive change in the Chicago Metropolitan Area by supporting networks of community organizations that are actively focused on creating solutions for each community's most pressing problems.

UWMC and McCormick are Members, with UWMC having four voting interests and McCormick having two voting interests. Members have the right to approve acceptance of gifts, grants, and donations, appoint or remove Directors, and approve changes to the Articles of Incorporation. The bylaws of UWMP specify that any gift, grant, donation, bequest or devise for general purposes or for any special purpose and any distribution upon dissolution and any grants must be approved by McCormick.

UWMC is responsible for the operations and day-to-day functions of UWMP including, but not limited to bookkeeping, recordkeeping, accounting, and the operations, communications, and involvement between UWMP and grantees in the communities served. UWMC and UWMP have entered into a Service Agreement. In fiscal years 2022 and 2021, UWMC received compensation for the services performed totaling \$289.5 and \$244.0, respectively. The Service Agreement terminates each December 31 and is extendable with 30 days' notice from UWMC.

**Results of UWMC Campaign**

For fiscal years 2022 and 2021, total contributions recorded in the accompanying consolidated statements of activities were:

	2022	2021
Prior campaign beginning in calendar year 2020	\$ -	\$ 64,614.3
Current campaign beginning in calendar year 2021	38,092.9	0.7
Future campaigns beginning in subsequent fiscal years	0.2	-
	<u>\$ 38,093.1</u>	<u>\$ 64,615.0</u>

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Credit Risk Concentration**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of cash and cash equivalents, short-term investments and pledges receivable. The Organization's investment policy is intended to limit its exposure to credit risk. The Organization maintains cash in bank deposit accounts, which may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant financial risk therein.

**Revenue Recognition**

Donors generally pledge or give a majority of their contributions during the first six to nine months of each annual campaign. The Organization recognizes revenue at fair value in the period the pledge is received or, in the absence of a pledge, when cash is received from the donor. The Organization considers all support as without donor restriction unless specifically restricted by the donor as to purpose or for the passage of time.

United Way of Metropolitan Chicago, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021  
(Dollars in thousands)

UWMC receives conditional multi-year grants in support of neighborhood-specific solutions. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. The total amounts of conditional promises to give are \$4,000.0 and \$6,000.0 at June 30, 2022 and 2021, respectively.

UWMC performs support services for an adjacent United Way organization essentially under a cost-reimbursement contract. The cost reimbursement is recognized ratably as services are performed based on contractually agreed-upon fees. The cost reimbursement offsets the associated expenses of performing these services in the consolidated statements of activities.

**Contributions Designated to Other Organizations**

Donor organizations and individuals participating in such entities' campaigns may choose to designate all or part of their contributions to specific charitable organizations. These transactions are reported as part of the current year campaign and are deducted as "Amounts designated to other organizations" to arrive at net campaign revenue and deducted from grantmaking and other expenses to arrive at program expenses. Amounts designated where donation funds are received directly by UWMC are recorded as "Designations payable" until paid to the designated charitable organizations. Processing fees of up to 8% of amounts designated, subject to certain limitations, are recorded as designations processing fees revenue and collected through receipt of the designated amounts.

"Amounts designated to other organizations" also include designations that are paid directly to designated charitable organizations by the donor organization, another United Way or a third-party processor.

**Gifts In-Kind and Contributed Services**

Gifts in-kind include print and broadcast marketing, office equipment, supplies, food or entertainment tickets that the Organization receives directly. Contributed services represent services requiring specialized skills that the Organization would typically purchase, such as legal and consulting services. Gifts in-kind and contributed services are recognized at their estimated fair values at date of receipt with an equal and offsetting amount in expenses in the consolidated financial statements, resulting in no net impact on the change in net assets during the fiscal year.

The following table summarizes gifts in-kind and contributed services for the years ended June 30:

	2022	2021
Gifts in-kind and contributed services		
Marketing and advertising	\$ 564.3	\$ 694.6
Legal fees	247.1	750.0
	<u>\$ 811.4</u>	<u>\$ 1,444.6</u>

The Organization receives services from a large number of volunteers who give significant amounts of their time to fundraising campaigns, various committees and programs. However, no amounts for these types of contributed services have been recognized in the consolidated financial statements because such services do not require specialized skills and there is no objective basis available to measure the value of such services.

**United Way of Metropolitan Chicago, Inc.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022 and 2021  
(Dollars in thousands)**

***Grantmaking and Other Funding***

The Board of Directors approves grants on a quarterly basis to agencies for each fiscal year extending from July 1 to June 30. Since campaigns are conducted for a calendar year, the Organization funds a portion of the current year and subsequent year grants utilizing funds available from the current year campaign. The Board of Directors approves the grants based on an impact area funding strategy, which is contingent upon actual and estimated future cash availability, agency financial stability, agency compliance with contractual terms and program execution. Accordingly, grants are recorded in the consolidated financial statements when the grant is deemed unconditional as of the financial statement date.

The Organization distributes additional grants to various foundations and organizations that support the Organization's mission. In fiscal years 2022 and 2021, UWMC issued grants of \$4,502.3 and \$3,506.7 to a separate fund of McCormick, which McCormick matched with \$2,251.2 and \$1,753.3, respectively. McCormick then granted \$6,753.5 and \$5,260.0, respectively, to UWMP to support UWMP's charitable and educational purposes. UWMC has committed to an additional \$2,749.0 grant to the separate fund of McCormick, to be paid in fiscal year 2023, which will be subsequently matched by McCormick and granted to the Partnership.

The following summarizes the Organization's community investment for fiscal years ended June 30:

	2022	2021
Grantmaking and other funding		
Impact Grants	\$ 9,982.3	\$ 8,487.0
Chicago Connected	6,423.1	1,500.0
Neighborhood Networks	5,226.2	4,602.8
Other	1,330.7	727.6
HIRE360	1,145.9	301.0
Vaccine Partnership	1,170.0	-
COVID-19 Response Fund	640.0	7,980.0
Total grantmaking and other funding	25,918.2	23,598.4
Amounts designated to other organizations	16,201.3	16,047.6
Total	\$ 42,119.5	\$ 39,646.0

***Functional Allocation of Expenses***

The consolidated financial statements include certain expenses that are attributable to one or more programs or supporting functions of the Organization. Those expenses include salaries, benefits and printing, allocated based on employee hours and specific identification when possible.

***Use of Estimates***

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**United Way of Metropolitan Chicago, Inc.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022 and 2021**  
**(Dollars in thousands)**

***Income Taxes***

UWMC and UWMP have received favorable determination letters from the Internal Revenue Service (“IRS”) stating that they are exempt from federal income taxes under the provisions of 501(c)(3) of the Internal Revenue Code of 1986 (“IRC”) as amended, except for income taxes pertaining to unrelated business income. Accounting guidance requires tax effects from uncertain tax positions to be recognized in the consolidated financial statements only if the position is more likely than not to be sustained if the position was to be challenged by a taxing authority.

Management has determined that there are no material uncertain positions that require recognition in the consolidated financial statements. Additionally, no provision for income taxes is reflected in these consolidated financial statements. There is no interest or penalties recognized in the consolidated financial statements.

***Cash and Cash Equivalents***

Cash and cash equivalents consist of cash, money market funds and other highly liquid short-term investments with original maturities of three months or fewer and are carried at either cost-plus accrued interest or fair value. The Organization’s cash reserve policy is to maintain three months’ cash reserves in the form of cash and cash equivalents and short-term investments.

***Pledges Receivable***

Pledges receivable, recorded at net realizable value, consist principally of uncollected campaign pledges received from companies and their employees. The Organization determines an allowance for uncollectible pledges by considering several factors, including length of time a pledge is past due, previous loss history and the consideration of the general economy for the geographic region as a whole. Allowances are provided for pledge amounts estimated by management to be uncollectible. As of June 30, of each fiscal year, a final accounting is made of the prior year’s campaign. Pledges receivable related to the prior campaign that have not been collected are generally considered uncollectible and are written off. Subsequent collections of amounts written off are recorded when received, in “Collections from, and adjustments to, prior years’ campaigns” on the consolidated statements of activities.

***Investments***

Investments consist of institutional equity, fixed income, real estate, money market and commodity-linked mutual funds. Investments are measured at fair value based on the quoted market value of the securities. Realized gains and losses are based on specific identification of the security sold. Interest, dividends, gains and losses related to these funds are recorded as “Investment return, net” on the consolidated statements of activities.

***Property and Equipment***

Office equipment and software are carried at cost and depreciated using the straight-line method, between three and five years. Equipment is capitalized if it has a cost of five hundred dollars (\$500) or more and a useful life when acquired of more than one year.

Amortization of leasehold improvements is computed using the straight-line method over the lesser of an asset’s estimated useful life or the remaining lease term.

United Way of Metropolitan Chicago, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021  
(Dollars in thousands)

***Pledge Processing***

Certain major corporations (“clients”) have contracts with UWMC to process their regional and national pledge processing activities, including processing of amounts that are not part of the local campaign.

Clients remit employee contributions and the corresponding distribution information to UWMC. UWMC consolidates and reconciles the information for a given client and distributes funds according to the clients’ instructions. Funds received in this manner are recorded as pledge processing payables until such distributions are completed. In return for these services, UWMC receives contractually agreed-upon pledge processing fees.

***Classification of Net Assets***

Net assets and changes therein are classified and reported as follows:

Net assets without donor restriction - Net assets without donor restriction include all assets not subject to donor-imposed restrictions. Within net assets without donor restriction are:

*Operating net assets*: include all operating revenue without donor restriction and expenses that are an integral part of the Organization’s programs and supporting activities.

*Non-operating net assets*: include all investment income, realized and unrealized gains and losses and related investment expenses, contributions to and releases from the Organization’s endowment, and gains and losses on disposition of assets.

*Board-designated net assets*: include all net assets that have been set aside by the Board of Directors for future use.

Net assets with donor restriction - Net assets with donor restrictions represent contributions subject to donor-imposed restrictions. Some restrictions are temporary in nature, stipulating that resources be used for specific purposes or to a specific time period for use. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of a restriction is accomplished, net assets are reclassified to net assets without donor restrictions and are reported in the consolidated statements of activities as net assets released from restrictions. Some restrictions are perpetual in nature and mandate the original principal be invested in perpetuity.

Support that is restricted by the donor is reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the support is recognized.

The net appreciation of interest, dividends, and realized and unrealized gains and losses recognized on donor-restricted endowment funds is classified as net assets with donor restriction to be spent as appropriated by the Boards of Directors. Unrealized losses that cause the fair value to fall below the level the donor requires the Organization to maintain are classified within net assets with donor restriction. Net earnings and appreciation that restore these losses are also reflected within net assets with donor restriction.

***Recently Adopted Accounting Pronouncements***

In September 2020, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which increased the transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. ASU 2020-07 requires not-for-profit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from

**United Way of Metropolitan Chicago, Inc.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022 and 2021  
(Dollars in thousands)**

contributions of cash and other financial assets and also requires additional disclosures, including a disclosure of a disaggregation of the amount of contributed nonfinancial assets by category. The Organization implemented the provisions of ASU 2020-07 and the impact was not material to the consolidated financial statements or disclosures.

***New Accounting Pronouncements***

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statements of financial position for leases with terms exceeding 12 months. ASU 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. In June 2020, the FASB issued ASU 2020-05, *Effective Dates for Certain Entities*, which deferred the effective date for one year. ASU 2016-02 is effective for the Organization for fiscal year 2023. Early adoption is permitted. The Organization is evaluating whether this will have a material impact on the consolidated financial statements.

**NOTE C - PLEDGES RECEIVABLE, NET**

The following table summarizes pledges receivable, net as of June 30:

	2022	2021
Campaign beginning in calendar year 2020	\$ -	\$ 13,882.0
Campaign beginning in calendar year 2021	8,415.0	-
Current portion of multi-year pledges	302.3	152.2
 Total	 8,717.3	 13,834.2
 Less: allowance for uncollectible pledges	 (760.0)	 (915.0)
 Pledges receivable, net	 \$ 7,957.3	 \$ 12,919.2

Long-term pledges, net, represent multi-year unconditional promises to give that are due in more than one year. The pledges are recorded at their net realizable present value using a discount rate equal to the most commensurate treasury notes. The following table summarizes the balances as of June 30:

	2022	2021
Gross multi-year pledges receivable	\$ 302.3	\$ 302.2
Less: current portion	(302.2)	(152.2)
Less: unamortized discount	(0.1)	(0.1)
 Long-term pledges receivable, net	 \$ -	 \$ 149.9

**United Way of Metropolitan Chicago, Inc.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022 and 2021**  
**(Dollars in thousands)**

**NOTE D - BENEFICIAL INTEREST IN SPLIT-INTEREST AGREEMENT**

The UWMC Board of Directors' policy is to invest proceeds from bequests in the UWMC Endowment ("Endowment"), unless directed otherwise by the donor.

In fiscal years 2022 and 2021, UWMC received no additional contributions and received \$104.6 and \$96.5, respectively, in collections related to the split-interest agreements, all of which were invested in the Endowment. These additions, changes in valuation and collections resulted in the following changes to the short-term and long-term beneficial interests in the trust assets for the years ended June 30:

	<u>2022</u>	<u>2021</u>
Short-term		
Beginning balance	\$ 101.5	\$ 90.2
Changes in valuation	(11.7)	-
Collections	(104.6)	(96.5)
Transfer from long term	<u>94.2</u>	<u>107.8</u>
Ending balance	<u>\$ 79.4</u>	<u>\$ 101.5</u>
	<u>2022</u>	<u>2021</u>
Long-term		
Beginning balance	\$ 913.5	\$ 811.4
Changes in valuation	(105.1)	209.9
Transfer to short term	<u>(94.2)</u>	<u>(107.8)</u>
Ending balance	<u>\$ 714.2</u>	<u>\$ 913.5</u>

**NOTE E - INVESTMENTS AND FAIR VALUE MEASUREMENTS**

Long-term investments include donor-restricted, endowment, non-endowment funds and deferred compensation funds for the benefit of UWMC. Refer to Note G for additional information regarding deferred compensation.

UWMC's long-term investments are composed of institutional equity mutual funds, fixed income mutual funds, commodity-linked mutual funds, real estate equity mutual funds and money market mutual funds. Commodity-linked mutual funds are mutual funds having futures contracts or options and can participate in price moves of underlying commodities. Real estate equity mutual funds are mutual funds that invest in the equity of real estate companies.

The Organization's endowment investment strategy is to preserve, protect and grow the endowment assets to generate enough earnings to be used to meet obligations arising from planned activities. These goals are to be accomplished by achieving a long-term rate of return on the investments that ensures growth of the assets and by diversifying a portfolio among various asset classes with the goal of reducing return volatility among various securities issuers. The allowable asset classes include domestic and international equity, fixed income securities and bonds, and alternative investments such as commodities and real estate.

**United Way of Metropolitan Chicago, Inc.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022 and 2021  
(Dollars in thousands)**

Total investments at June 30 are summarized as follows:

	<u>2022</u>	<u>2021</u>
Endowment	\$ 7,894.3	\$ 8,480.0
Non-endowment funds	112.2	124.6
Deferred compensation	<u>174.5</u>	<u>209.5</u>
 Total investments	 <u>\$ 8,181.0</u>	 <u>\$ 8,814.1</u>

The fair value of investments, as well as some cash equivalents, is based on observable inputs, such as quoted prices in active markets or other than quoted prices in active markets that are observable either directly or indirectly. Fair value is measured as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, a three-tiered fair value hierarchy has been established that prioritizes the inputs used in measuring fair value as follows:

- Level 1 - Observable inputs, such as quoted prices in active markets;
- Level 2 - Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3 - Unobservable inputs in which there is little or no market data, which requires the Organization to develop its own assumptions.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The Organization uses third-party providers to determine the fair values of its investments. The third-party providers receive market prices from a variety of industry standard data providers with reasonable levels of price transparency.

Investments with values based on quoted market prices in active markets are classified by the Organization as Level 1 and include publicly traded mutual funds. The mutual funds legally and contractually redeem their outstanding shares at net asset value ("NAV").

The valuation of the beneficial interest in split-interest agreements falls under Level 3, as there are no significant observable inputs. The inputs used by UWMC in estimating the Level 3 beneficial interest in split-interest agreements include future asset growth. Due to lack of observable inputs, the assumptions used by UWMC may significantly impact the resulting fair value of the beneficial interest in split-interest agreements.

**United Way of Metropolitan Chicago, Inc.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022 and 2021  
(Dollars in thousands)**

The following tables summarize assets measured at fair value as of June 30:

	2022		
	Level 1	Level 3	Total
Investments			
Institutional equity mutual funds	\$ 4,361.2	\$ -	\$ 4,361.2
Fixed income mutual funds	2,256.4	-	2,256.4
Commodity mutual funds	459.8	-	459.8
Real estate equity mutual funds	123.8	-	123.8
Money market mutual funds	979.8	-	979.8
	<u>\$ 8,181.0</u>	<u>\$ -</u>	<u>\$ 8,181.0</u>
Total			
Beneficial interest in split-interest agreement	\$ -	\$ 793.6	\$ 793.6
Cash equivalents			
Money market mutual funds	\$ 23,964.7	\$ -	\$ 23,964.7
	<u>\$ 23,964.7</u>	<u>\$ -</u>	<u>\$ 23,964.7</u>
	2021		
	Level 1	Level 3	Total
Investments			
Institutional equity mutual funds	\$ 5,575.9	\$ -	\$ 5,575.9
Fixed income mutual funds	2,314.2	-	2,314.2
Commodity mutual funds	464.1	-	464.1
Real estate equity mutual funds	357.6	-	357.6
Money market mutual funds	102.3	-	102.3
	<u>\$ 8,814.1</u>	<u>\$ -</u>	<u>\$ 8,814.1</u>
Total			
Beneficial interest in split-interest agreement	\$ -	\$ 1,015.0	\$ 1,015.0
Cash equivalents			
Money market mutual funds	\$ 29,527.5	\$ -	\$ 29,527.5
	<u>\$ 29,527.5</u>	<u>\$ -</u>	<u>\$ 29,527.5</u>

The following table summarizes changes in Level 3 assets for the years ended June 30:

	2022	2021
Balance, beginning of year	\$ 1,015.0	\$ 901.6
Collections	(104.6)	(96.5)
Change in value	(116.8)	209.9
	<u>\$ 793.6</u>	<u>\$ 1,015.0</u>
Balance, end of year		

**United Way of Metropolitan Chicago, Inc.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022 and 2021**  
**(Dollars in thousands)**

**NOTE F - PROPERTY AND EQUIPMENT, NET**

Property and equipment, net, at June 30 are summarized as follows:

	<u>2022</u>	<u>2021</u>
Leasehold improvements	\$ 2,265.6	\$ 2,265.6
Office equipment and software	<u>1,725.0</u>	<u>1,714.2</u>
Total property and equipment	3,990.6	3,979.8
Accumulated depreciation/amortization	<u>(3,217.2)</u>	<u>(2,914.4)</u>
Property and equipment, net	<u>\$ 773.4</u>	<u>\$ 1,065.4</u>

**NOTE G - POSTRETIREMENT BENEFITS**

UWMC sponsors a defined contribution 401(k) retirement plan covering all its eligible employees. UWMC matches, subject to IRS limitations, 50% of the first 6% that an employee contributes, up to a maximum match amount equivalent to 3% of an employees' gross pay. The cost of these plans was \$154.2 and \$180.5 in fiscal years 2022 and 2021, respectively.

UWMC also provides a deferred compensation plan that allows certain officers to defer portions of their compensation. The deferred income obligation was \$174.5 and \$209.5 at June 30, 2022 and 2021, respectively, and is included in "Obligations for retirement benefits," and the related plan assets are included in "Investments" on the consolidated statements of financial position.

In addition, UWMC maintains a non-contributory, single-employer defined benefit pension plan, which was frozen effective December 31, 2003, and covers eligible employees up to that date. Payments are made to eligible retired employees based on earnings, age and years of service.

The plan's funding policy is to contribute amounts sufficient to meet the minimum funding requirements set forth in the Employee Retirement Income Security Act of 1974, plus such additional amounts as UWMC may determine to be appropriate.

The components of net periodic pension cost for the fiscal years ended June 30 are summarized as follows:

	<u>2022</u>	<u>2021</u>
Interest cost	\$ 117.1	\$ 115.4
Expected return on plan assets	(222.0)	(196.9)
Amortization of actuarial loss	<u>58.1</u>	<u>81.7</u>
	<u>\$ (46.8)</u>	<u>\$ 0.2</u>

**United Way of Metropolitan Chicago, Inc.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022 and 2021  
(Dollars in thousands)**

The components of the pension-related change other than net periodic pension cost for the fiscal years ended June 30 are summarized as follows:

	<u>2022</u>	<u>2021</u>
Actuarial gain arising during the year	\$ (293.4)	\$ (622.4)
Amortization of actuarial loss	<u>(58.1)</u>	<u>(81.7)</u>
	<u>\$ (351.5)</u>	<u>\$ (704.1)</u>

Amounts have not yet been recognized as a component of net periodic pension costs consist of a net actuarial loss of \$1,741.9 and \$2,093.5 at June 30, 2022 and 2021, respectively.

The estimated actuarial loss that will be amortized into net periodic pension cost through June 30, 2023 is \$50.7.

The following table summarizes the weighted-average assumptions used in determining pension costs for the fiscal years ended June 30:

	<u>2022</u>	<u>2021</u>
Discount rate	2.70%	2.60%
Expected return on plan assets	6.50%	7.00%

The weighted-average discount rate used in determining the benefit obligation was 4.40% at June 30, 2022 and 2.70% at June 30, 2021.

The discount rate is determined as of the measurement date based on the discounting of future expected cash flows using the FTSE Pension Discount Curve, a high-quality corporate bond interest rate.

The expected long-term rate of return on plan assets assumption is based on a building block approach. The expected long-term rate of inflation and risk premiums for the various asset categories are based on the current investment environment. General historical market returns, and inflation rates are used in the development of the long-term expected inflation rates and risk premiums. The target allocation of assets is used to develop a composite rate of return assumption.

The change in benefit obligations, fair value of plan assets and the funded status of the plan for the years ended June 30, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Change in projected benefit obligation		
Beginning of year	\$ 4,382.5	\$ 4,483.2
Interest cost	117.1	115.4
Actuarial (gain) loss	(979.8)	(178.6)
Benefits paid	<u>(51.9)</u>	<u>(37.5)</u>
End of year	<u>\$ 3,467.9</u>	<u>\$ 4,382.5</u>

**United Way of Metropolitan Chicago, Inc.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022 and 2021  
(Dollars in thousands)**

	2022	2021
Change in fair value of plan assets		
Beginning of year	\$ 3,461.9	\$ 2,858.6
Actual return on plan assets	(464.3)	640.8
Benefits paid	(51.9)	(37.5)
End of year	<u>\$ 2,945.7</u>	<u>\$ 3,461.9</u>
	2022	2021
Funded status, end of year		
Fair value of plan assets	\$ 2,945.7	\$ 3,461.9
Less: projected benefit obligation	(3,467.9)	(4,382.5)
Funded status	<u>\$ (522.2)</u>	<u>\$ (920.6)</u>

The funded status obligation is included in obligations for retirement benefits.

UWMC incorporated the Pri-2012 Private Retirement Plans Mortality Table and MP-2020 projection scale as of June 30, 2022 and the Pri-2012 Private Retirement Plans Mortality Table and MP-2019 projection scale as of June 30, 2021.

In February 2018, due to lack of availability of affordable annuities to further reduce the size of the plan, the Organization revised the investment strategy. Defined benefit plan assets were invested in a balanced fund composed of 60% equity and 40% fixed income. As of June 30, 2022 and 2021, the plan assets were invested in the balanced fund.

The fair value of the Organization's assets, invested in the balanced fund and valued at NAV, as of June 30, 2022 and 2021, totaled \$2,945.7 and \$3,461.9, respectively, and is classified as a Level 1 investment in the fair value hierarchy.

As of June 30, 2022 and 2021, the Organization had unfunded commitments to the plan of \$522.2 and \$920.6, respectively, as its pension liability is not fully funded. The Organization, as sponsor of the pension plan, may terminate the pension plan at any time.

The following table presents the benefits expected to be paid under UWMC's defined benefit plan in each of the next five fiscal years, and in the aggregate for the five years thereafter, as of June 30, 2022:

2023	\$ 104.7
2024	108.2
2025	115.9
2026	129.3
2027	143.4
2028-2032	1,100.6

**NOTE H - BOARD-DESIGNATED AND DONOR-RESTRICTED NET ASSETS**

Net assets that are not subject to donor-imposed restrictions, may be designated and set aside by the Organization's Board of Directors at their discretion. The Board may elect to release these net assets from designation at any time.

**United Way of Metropolitan Chicago, Inc.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022 and 2021  
(Dollars in thousands)**

The following table summarizes Board-designated net assets as of June 30:

	<u>2022</u>	<u>2021</u>
Board-designated endowment funds	\$ 2,447.1	\$ 1,786.4
Board-designated for reserves	<u>2,414.1</u>	<u>2,544.1</u>
 Total Board-designated net assets	 <u>\$ 4,861.2</u>	 <u>\$ 4,330.5</u>

Net assets with donor restriction include contributions or grants subject to donor-imposed restrictions as to purpose that may or will be met by actions of the Organization, or that expire by the passage of time.

The following table summarizes net assets with donor restriction as of June 30:

	<u>2022</u>	<u>2021</u>
Pledges receivable, time restricted for use in future periods	\$ 6,245.2	\$ 6,280.3
Endowment net investment return	1,810.7	3,056.4
Purpose-restricted contributions		
COVID-19 Response / Chicago Connected	5,407.8	12,769.7
United Way Neighborhood Networks	5,354.6	3,476.0
United Way - McCormick Partnership	2,767.3	1,883.3
Fiscally Sponsored Programs	1,460.6	1,444.5
211	327.9	992.8
Domestic violence prevention programs	625.0	400.0
Racial Equity Innovation Fund	590.3	350.0
Various other specific programs	<u>493.4</u>	<u>217.3</u>
 Total purpose restricted contributions	 17,026.9	 21,533.6
 Endowment fund, to be held in perpetuity	 <u>3,639.0</u>	 <u>3,639.0</u>
 Total net assets with donor restriction	 <u>\$ 28,721.8</u>	 <u>\$ 34,509.3</u>

**United Way of Metropolitan Chicago, Inc.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022 and 2021  
(Dollars in thousands)**

The following table summarizes the net assets that were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors for the year ended June 30:

	<u>2022</u>	<u>2021</u>
Purpose restrictions accomplished:		
COVID-19 Response / Chicago Connected	\$ 7,361.9	\$ 12,307.2
United Way - McCormick Partnership	1,883.3	1,666.7
United Way Neighborhood Networks	352.0	502.8
Domestic violence prevention programs	400.0	250.0
Siemer Institute Grant	125.0	125.0
Various other specific programs	<u>2,441.9</u>	<u>494.1</u>
Total purpose restrictions accomplished	12,564.1	15,345.8
Time restrictions expired	5,267.8	5,369.0
Release of appropriated endowment amounts	<u>342.0</u>	<u>302.0</u>
Total net assets released from restrictions	<u>\$ 18,173.9</u>	<u>\$ 21,016.8</u>

Net assets with donor restriction to be held in perpetuity include contributions to endowment funds that are subject to donor-imposed restrictions that cannot be released from restriction by expiration of time or fulfillment of purpose. Net assets with donor restriction to be held in perpetuity at June 30, 2022 and 2021 consist solely of donor endowment funds.

The Organization's endowment consists of Board-designated and donor-restricted funds maintained by UWMC. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization accounts for donor-restricted endowment net assets by preserving the fair value of the original gift as of the gift date absent explicit donor stipulations to the contrary. As a result, the Organization classifies as net assets with donor restriction to be held in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not restricted in perpetuity is also classified as net assets with donor restriction until those amounts are appropriated for expenditure by the Organization.

The Organization's Board of Directors may designate net assets without donor restriction to the endowment fund at its discretion.

The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the funds.
- The purposes of the Organization and the donor-restricted endowment funds.
- General economic conditions.
- The possible effect of inflation and deflation.

**United Way of Metropolitan Chicago, Inc.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022 and 2021  
(Dollars in thousands)**

- The expected total return from income and the appreciation of investments.
- Other resources of the Organization.
- The investment policies of the Organization.

The following table summarizes the endowment net asset composition by type of fund as of June 30, 2022:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 5,449.7	\$ 5,449.7
Board-designated endowment funds	2,447.4	-	2,447.4
<b>Endowment net assets</b>	<b><u>\$ 2,447.4</u></b>	<b><u>\$ 5,449.7</u></b>	<b><u>\$ 7,897.1</u></b>

During the year ended June 30, 2022, the Organization had the following endowment-related activities:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Endowment, beginning of year	\$ 1,786.4	\$ 6,695.4	\$ 8,481.8
Contributions	900.4	-	900.4
Appropriations	-	(342.0)	(342.0)
Investment return, net	(239.4)	(903.7)	(1,143.1)
<b>Endowment, end of year</b>	<b><u>\$ 2,447.4</u></b>	<b><u>\$ 5,449.7</u></b>	<b><u>\$ 7,897.1</u></b>

The following table summarizes the endowment net asset composition by type of fund as of June 30, 2021:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 6,695.4	\$ 6,695.4
Board-designated endowment funds	1,786.4	-	1,786.4
<b>Endowment net assets</b>	<b><u>\$ 1,786.4</u></b>	<b><u>\$ 6,695.4</u></b>	<b><u>\$ 8,481.8</u></b>

During the year ended June 30, 2021, the Organization had the following endowment-related activities:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Endowment, beginning of year	\$ 1,428.1	\$ 5,558.0	\$ 6,986.1
Appropriations	-	(302.0)	(302.0)
Investment return, net	358.3	1,439.4	1,797.7
<b>Endowment, end of year</b>	<b><u>\$ 1,786.4</u></b>	<b><u>\$ 6,695.4</u></b>	<b><u>\$ 8,481.8</u></b>

United Way of Metropolitan Chicago, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021  
(Dollars in thousands)

**NOTE I - LOAN PAYABLE**

On June 28, 2016, the Organization entered into a loan agreement for \$5,600.0 with a commercial bank for the purpose of purchasing annuities for the retirees of the frozen defined benefit plan. Interest is fixed at a rate of 2.55% and is payable monthly. Principal payments are due annually from July 1, 2017 through June 28, 2023. The Organization has agreed to certain financial covenants. As of June 30, 2022, the Organization was in compliance with these covenants.

The fifth loan payment is due on July 1, 2022, \$800.0, and the sixth payment, \$1,200, is due on June 28, 2023. Both payments are included in current liabilities.

**NOTE J - FUTURE COMMITMENTS**

UWMC entered into an operating lease agreement for office and storage space at 333 South Wabash Avenue, Chicago, Illinois, that expires in 2028. The monthly base rent over the 15-year lease ranges from \$63.4 to \$79.7; however, the agreement provides rent abatement for the first 18 months. Rent expense is recognized on a straight-line basis over the life of the lease. The agreement also provided for tenant improvement and space planning allowances of \$2,097.7. Lease incentives are recognized on a straight-line basis over the life of the lease as reductions to rent expense. Deferred rent was \$1,407.8 and \$1,878.8 at June 30, 2022 and 2021, respectively.

UWMC has recorded an asset and a corresponding liability for the present value of the estimated cost to return the leased office space to its original condition at the end of the lease. The asset is depreciated over the life of the corresponding lease while the liability accretes to the amount of the estimated retirement obligation. The present value of the estimated asset retirement obligation was \$252.2 and \$246.1 at June 30, 2022 and 2021, respectively.

On April 21, 2022, UWMC exercised an early termination option to terminate the lease for the 333 South Wabash Ave location effective April 30, 2023. UWMC paid an early lease termination penalty and recognized a lease termination expense of \$1,422.6 at the time the early lease termination option was exercised. UWMC is required to return the space to original condition by the effective date of the lease termination.

UWMC entered into a lease agreement for office and storage space with Merchandise Mart LLC. The commencement date of the lease is May 1, 2023, and expires on April 30, 2035. The lease agreement provides for abatement of the monthly rent for the first 13 months of the lease. This lease includes a tenant improvement allowance of \$2,595.3.

The following table represents the rent expected to be paid under the lease agreement at 333 South Wabash Avenue and the Merchandise Mart in each of the next five fiscal years and thereafter:

2023	\$	752.1
2024		39.2
2025		471.9
2026		483.7
2027		495.8
Thereafter		<u>4,337.0</u>
Total	\$	<u>6,579.7</u>

Rent expense was \$563.3 and \$784.9 in fiscal years 2022 and 2021, respectively.

United Way of Metropolitan Chicago, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021  
(Dollars in thousands)

**NOTE K - LIQUIDITY AND AVAILABILITY**

The Organization regularly monitors liquidity to meet its operating needs and other contractual commitments. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Organization invests cash in excess of operating requirements.

The Organization's financial assets available within one year of the consolidated statements of financial position date for general expenditures as of June 30 are as follows:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 40,380.0	\$ 46,592.3
Pledges receivable, net	7,957.3	12,919.2
Investments without donor restriction	2,559.3	1,910.8
Less: Board-designated net assets	<u>(4,861.2)</u>	<u>(4,330.5)</u>
Total financial assets available within one year	<u>\$ 46,035.4</u>	<u>\$ 57,091.8</u>

**NOTE L - SUBSEQUENT EVENTS**

The Organization evaluated its June 30, 2022, consolidated financial statements for subsequent events through November 28, 2022, the date the consolidated financial statements were available to be issued. The Organization is not aware of any subsequent events that would require recognition or disclosure in the consolidated financial statements.

SUPPLEMENTARY INFORMATION

United Way of Metropolitan Chicago, Inc.

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

June 30, 2022  
(Dollars in thousands)

	UWMC	UWMP	Elimination Entries	Total
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 39,743.7	\$ 636.3	\$ -	\$ 40,380.0
Pledges receivable, net	7,957.3	2,749.0	(2,749.0)	7,957.3
Beneficial interest in split-interest agreements	79.4	-	-	79.4
Other receivables and prepaid expenses	618.9	-	-	618.9
Total current assets	48,399.3	3,385.3	(2,749.0)	49,035.6
Long-term pledges receivable, net	-	-	-	-
Beneficial interest in split-interest agreement, long term	714.2	-	-	714.2
Investments	8,181.0	-	-	8,181.0
Property and equipment, net	773.4	-	-	773.4
Total assets	<u>\$ 58,067.9</u>	<u>\$ 3,385.3</u>	<u>\$ (2,749.0)</u>	<u>\$ 58,704.2</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Current liabilities</b>				
Accounts payable and accrued expenses	\$ 2,039.5	\$ 618.0	\$ -	\$ 2,657.5
Designation and pledge processing payables	4,019.5	-	(2,749.0)	1,270.5
Deferred rent	1,407.8	-	-	1,407.8
Refundable advance	2,000.0	-	-	2,000.0
Loan payable	2,000.0	-	-	2,000.0
Total current liabilities	11,466.8	618.0	(2,749.0)	9,335.8
<b>Non-current liabilities</b>				
Loan payable	-	-	-	-
Deferred rent	-	-	-	-
Asset retirement obligation	252.2	-	-	252.2
Obligations for retirement benefits	696.7	-	-	696.7
Total non-current liabilities	948.9	-	-	948.9
Total liabilities	12,415.7	618.0	(2,749.0)	10,284.7
<b>NET ASSETS</b>	<u>45,652.2</u>	<u>2,767.3</u>	<u>-</u>	<u>48,419.5</u>
Total liabilities and net assets	<u>\$ 58,067.9</u>	<u>\$ 3,385.3</u>	<u>\$ (2,749.0)</u>	<u>\$ 58,704.2</u>

United Way of Metropolitan Chicago, Inc.

CONSOLIDATING STATEMENT OF ACTIVITIES

Year ended June 30, 2022  
(Dollars in thousands)

	UWMC	UWMP	Elimination Entries	Total
<b>Operating</b>				
Public support and other revenue				
Current year campaign	\$ 38,092.9	\$ -	\$ -	\$ 38,092.9
Amounts designated to other organizations	(16,201.3)	-	-	(16,201.3)
Provision for uncollectible pledges	(760.0)	-	-	(760.0)
Net from current year campaign	21,131.6	-	-	21,131.6
Contributions received for future campaigns	0.2	-	-	0.2
Collections from, and adjustments to, prior years' campaigns	62.8	-	-	62.8
Net campaign revenue	21,194.6	-	-	21,194.6
Other public support and other revenue				
Grants and other contributions	6,252.5	7,749.1	(5,498.0)	8,503.6
Paycheck Protection Program	-	-	-	-
Gifts in-kind and contributed services	811.4	-	-	811.4
Pledges and designations processing fees and other revenue	395.3	-	-	395.3
Total other public support and other revenue	7,459.2	7,749.1	(5,498.0)	9,710.3
Total public support and other revenue	28,653.8	7,749.1	(5,498.0)	30,904.9
Grantmaking and other expenses				
Programs				
Grantmaking and other funding	41,041.8	6,575.7	(5,498.0)	42,119.5
Less amounts designated to other organizations	(16,201.3)	-	-	(16,201.3)
Other program expenses	5,034.9	144.7	-	5,179.6
Total programs	29,875.4	6,720.4	(5,498.0)	31,097.8
Management and general	4,053.0	144.7	-	4,197.7
Fundraising	2,571.8	-	-	2,571.8
Total grantmaking and other expenses	36,500.2	6,865.1	(5,498.0)	37,867.3
Changes in net assets from operations	(7,846.4)	884.0	-	(6,962.4)
<b>Non-operating activities</b>				
Investment return, net	(1,150.0)	-	-	(1,150.0)
Interest expense	(51.7)	-	-	(51.7)
Endowment contributions	584.4	-	-	584.4
Lease termination expense	(1,422.6)	-	-	(1,422.6)
Distribution of net assets	(1,274.0)	-	-	(1,274.0)
Change in value of split-interest agreements	(116.8)	-	-	(116.8)
Total non-operating activities	(3,430.7)	-	-	(3,430.7)
Changes in net assets before pension-related changes	(11,277.1)	884.0	-	(10,393.1)
Pension-related changes other than net periodic pension cost	351.6	-	-	351.6
<b>CHANGES IN NET ASSETS</b>	(10,925.5)	884.0	-	(10,041.5)
Net assets, beginning of year	56,577.7	1,883.3	-	58,461.0
Net assets, end of year	\$ 45,652.2	\$ 2,767.3	\$ -	\$ 48,419.5

**Illinois Grant Accountability and Transparency  
Consolidated Year-End Financial Report**

<b>Grantee Name</b>	UNITED WAY OF METROPOLITAN CHICAGO
<b>ID Numbers</b>	AUDIT:33169 Grantee:672532 UEI:C3ZXKX9K6HE1 FEIN:300200478
<b>Audit Period</b>	7/1/2021 - 6/30/2022
<b>Submitted</b>	11/22/2022; Jacqueline Robinson; Manager, Grants Accounting; jacqueline.robinson@liveunitedchicago.org; 312-906-2420
<b>Accepted</b>	
<b>Program Count</b>	5

<b>All Programs Total</b>				
<b>Category</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
Personal Services (Salaries and Wages)	577,206.61	0.00	5,741,400.00	6,318,606.61
Fringe Benefits	149,874.09	0.00	1,125,300.00	1,275,174.09
Travel	3,225.60	0.00	51,600.00	54,825.60
Equipment	0.00	0.00	125,200.00	125,200.00
Supplies	34,106.22	0.00	24,690.64	58,796.86
Contractual Services	287,433.12	0.00	2,160,856.00	2,448,289.12
Consultant (Professional Services)	54,000.00	0.00	0.00	54,000.00
Construction	0.00	0.00	0.00	0.00
Occupancy - Rent and Utilities	0.00	0.00	595,800.00	595,800.00
Research and Development	0.00	0.00	0.00	0.00
Telecommunications	19,968.00	0.00	36,900.00	56,868.00
Training and Education	4,612.00	0.00	388.00	5,000.00
Direct Administrative Costs	51,356.01	0.00	0.00	51,356.01
Miscellaneous Costs	10,000.00	0.00	26,684,384.65	26,694,384.65
All Grant Specific Categories	96,380.62	0.00	32,618.59	128,999.21
<b>TOTAL DIRECT EXPENDITURES</b>	<b>1,288,162.27</b>	<b>0.00</b>	<b>36,579,137.88</b>	<b>37,867,300.15</b>
Indirect Costs	0.00	0.00	0.00	0.00
<b>TOTAL EXPENDITURES</b>	<b>1,288,162.27</b>	<b>0.00</b>	<b>36,579,137.88</b>	<b>37,867,300.15</b>

**Illinois Grant Accountability and Transparency  
Consolidated Year-End Financial Report**

<b>State Agency</b>	Department Of Commerce And Economic Opportunity (420)
<b>Program Name</b>	Apprenticeship Expansion Program (420-30-0082)
<b>Program Limitations</b>	No
<b>Mandatory Match</b>	No
<b>Indirect Cost Rate</b>	0.00 Base:

<b>Category</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
Personal Services (Salaries and Wages)	3,979.31	0.00	0.00	3,979.31
Fringe Benefits	834.99	0.00	0.00	834.99
Supplies	4,106.22	0.00	0.00	4,106.22
Contractual Services	126,893.12	0.00	0.00	126,893.12
Direct Administrative Costs	12,928.19	0.00	0.00	12,928.19
<b>TOTAL DIRECT EXPENDITURES</b>	<b>148,741.83</b>	<b>0.00</b>	<b>0.00</b>	<b>148,741.83</b>

**Illinois Grant Accountability and Transparency  
Consolidated Year-End Financial Report**

<b>State Agency</b>	Department Of Commerce And Economic Opportunity (420)
<b>Program Name</b>	Construction and/or Renovation to Buildings, Additions, or Structures (420-00-1771)
<b>Program Limitations</b>	No
<b>Mandatory Match</b>	No
<b>Indirect Cost Rate</b>	0.00 Base:

<b>Category</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
	0.00	0.00	0.00	0.00
<b>TOTAL DIRECT EXPENDITURES</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**Illinois Grant Accountability and Transparency  
Consolidated Year-End Financial Report**

<b>State Agency</b>	Department Of Commerce And Economic Opportunity (420)
<b>Program Name</b>	Workforce Direct Line Appropriations (420-30-2734)
<b>Program Limitations</b>	No
<b>Mandatory Match</b>	No
<b>Indirect Cost Rate</b>	0.00 Base:

<b>Category</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
Personal Services (Salaries and Wages)	573,227.30	0.00	0.00	573,227.30
Fringe Benefits	149,039.10	0.00	0.00	149,039.10
Travel	3,225.60	0.00	0.00	3,225.60
Supplies	30,000.00	0.00	0.00	30,000.00
Contractual Services	160,540.00	0.00	0.00	160,540.00
Consultant (Professional Services)	54,000.00	0.00	0.00	54,000.00
Telecommunications	19,968.00	0.00	0.00	19,968.00
Miscellaneous Costs	10,000.00	0.00	0.00	10,000.00
<b>TOTAL DIRECT EXPENDITURES</b>	<b>1,000,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,000,000.00</b>

**Illinois Grant Accountability and Transparency  
Consolidated Year-End Financial Report**

<b>State Agency</b>	Department Of Human Services (444)
<b>Program Name</b>	AmeriCorps Competitive Traditional (444-80-2808)
<b>Program Limitations</b>	No
<b>Mandatory Match</b>	No
<b>Indirect Cost Rate</b>	0.00 Base:

<b>Category</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
Direct Administrative Costs	38,427.82	0.00	0.00	38,427.82
Miscellaneous Costs	0.00	0.00	15,716.65	15,716.65
<b>TOTAL DIRECT EXPENDITURES</b>	<b>38,427.82</b>	<b>0.00</b>	<b>15,716.65</b>	<b>54,144.47</b>

**Illinois Grant Accountability and Transparency  
Consolidated Year-End Financial Report**

<b>State Agency</b>	Department Of Public Health (482)
<b>Program Name</b>	Serve Illinois - AmeriCorps Competitve (transferred to DHS) (482-00-0781)
<b>Program Limitations</b>	No
<b>Mandatory Match</b>	No
<b>Indirect Cost Rate</b>	0.00 Base:

<b>Category</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
Supplies	0.00	0.00	790.64	790.64
Training and Education	4,612.00	0.00	388.00	5,000.00
Living Allowance Costs	45,992.62	0.00	0.00	45,992.62
Member Support Costs	0.00	0.00	15,220.74	15,220.74
Personnel Expenses	50,388.00	0.00	6,100.21	56,488.21
Personnel Fringe Benefits	0.00	0.00	11,297.64	11,297.64
<b>TOTAL DIRECT EXPENDITURES</b>	<b>100,992.62</b>	<b>0.00</b>	<b>33,797.23</b>	<b>134,789.85</b>

**Illinois Grant Accountability and Transparency  
Consolidated Year-End Financial Report**

<b>Program Name</b>	Other grant programs and activities
---------------------	-------------------------------------

<b>Category</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
	0.00	0.00	0.00	0.00
<b>TOTAL DIRECT EXPENDITURES</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**Illinois Grant Accountability and Transparency  
Consolidated Year-End Financial Report**

<b>Program Name</b>	All other costs not allocated
---------------------	-------------------------------

<b>Category</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
Personal Services (Salaries and Wages)	0.00	0.00	5,741,400.00	5,741,400.00
Fringe Benefits	0.00	0.00	1,125,300.00	1,125,300.00
Travel	0.00	0.00	51,600.00	51,600.00
Equipment	0.00	0.00	125,200.00	125,200.00
Supplies	0.00	0.00	23,900.00	23,900.00
Contractual Services	0.00	0.00	2,160,856.00	2,160,856.00
Occupancy - Rent and Utilities	0.00	0.00	595,800.00	595,800.00
Telecommunications	0.00	0.00	36,900.00	36,900.00
Miscellaneous Costs	0.00	0.00	26,668,668.00	26,668,668.00
<b>TOTAL DIRECT EXPENDITURES</b>	<b>0.00</b>	<b>0.00</b>	<b>36,529,624.00</b>	<b>36,529,624.00</b>