United Way of Greater Chattanooga

Financial Statements
Years ended June 30, 2024 and 2023
and
Supplementary Information

with
Independent Auditors' Report

Board of Directors

Jay Dale – Board Chair
Ken Jones
Russ Blakely
Jim Catanzaro, Jr.
Patti Dungan
Angela Garcia
Baron Herdelin-Doherty
Paulo Hutson Solorzano
Amanda Jelks
Dionne Jenkins
Althea Jones
DeJuan Jordan
Stefanie Mansueto
Dalya Qualls White
Tom Rice
Patricia Russell
Toby Shelton
Ken Smith
Edna Varner

Executive Staff

Lesley Scearce – President and Chief Executive Officer
Suzy Anthony – VP of Finance and Operations

SMITH+HOWARD PC

Independent Auditors' Report

Board of Directors of
United Way of Greater Chattanooga
Chattanooga, Tennessee

Report on the Audit of the Financial Statements

We have audited the financial statements of the United Way of Greater Chattanooga (a nonprofit organization) (the "Organization"), which comprise the statements of financial position as of June 30, 2024, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2024, and the change 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 ("GAAP").

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 opinion.

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 the Organization's ability to continue as a going concern within one year after the date of this report.

423.803.1440 | smith-howard.com
715 Market Street | Suite 303 | Chattanooga, TN 37402

Auditors' 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 auditors' 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 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 financial statements.

In performing an audit in accordance with 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 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 Organization'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 the Organization'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.

Other Information

Management is responsible for the other information included in the financial statements. The other information as listed in the table of contents does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, 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, is presented for purposes of additional analysis and is not a required part of the financial statements. 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. Such information has been subjected to the auditing procedures applied in the audits 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 GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 7, 2024 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions 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 the Organization'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 the Organization's internal control over financial reporting and compliance.

Prior Year Financial Information

The financial statements of the Organization, as of and for the year ended June 30, 2023 were audited by other auditors, whose report, dated November 7, 2023, expressed an unqualified opinion on those statements.

Smith and Howard

Chattanooga, Tennessee
November 7, 2024

United Way of Greater Chattanooga

Statements of Financial Position

June 30, 2024 and 2023

	2024	2023
Assets		
Cash and cash equivalents	$ 605,831	$ 439,126
Accounts receivable	10,898	17,027
Contributions receivable, net	3,629,352	3,985,560
Other receivables	1,093,275	856,549
Prepaid expenses	64,288	33,003
Investments	21,428,015	22,663,136
Property and equipment, net	2,494,336	2,613,493
Cash surrender value of life insurance	290,779	262,150
Total assets	$ 29,616,774	$ 30,870,044
Liabilities		
Accounts payable and accrued liabilities	$ 483,750	$ 294,096
Community investments and designations payable	3,979,490	5,026,609
Accrued employee benefits	383,167	425,509
Total liabilities	4,846,407	5,746,214
Net Assets		
Without donor restrictions	18,248,319	18,413,221
With donor restrictions	6,522,048	6,710,609
Total net assets	24,770,367	25,123,830
Total liabilities and net assets	$ 29,616,774	$ 30,870,044

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

United Way of Greater Chattanooga

Statement of Activities and Changes in Net Assets

Year ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support, Revenues and Gains:			
Gross campaign contributions	$ -	$ 6,379,982	$ 6,379,982
Less, provision for uncollectible pledges net of recoveries	-	(102,326)	(102,326)
Less, donor designations	-	(556,924)	(556,924)
Campaign contributions, net	-	5,720,732	5,720,732
Government and private grants	-	3,173,118	3,173,118
Investment return	911,823	45,402	957,225
Fee for service income	736,484	-	736,484
Special events	494,784	-	494,784
Other income	319,500	-	319,500
Net assets released from restrictions	9,127,813	(9,127,813)	-
Total public support, revenues and gains	11,590,404	(188,561)	11,401,843
Program Services			
United Way for working families	99,847	-	99,847
211 Center	1,803,974	-	1,803,974
Community impact partnerships	226,965	-	226,965
Tutoring	1,557,369	-	1,557,369
Nonprofit support	280,138	-	280,138
Other programs	624,520	-	624,520
Community investments	4,249,734	-	4,249,734
Total program services	8,842,547	-	8,842,547
Supporting Services			
Fundraising	1,719,680	-	1,719,680
Management and general	1,193,079	-	1,193,079
Total supporting services	2,912,759	-	2,912,759
Total expenses	11,755,306	-	11,755,306
Increase (decrease) in net assets	(164,902)	(188,561)	(353,463)
Net Assets, beginning of year	18,413,221	6,710,609	25,123,830
Net Assets, end of year	$ 18,248,319	$ 6,522,048	$ 24,770,367

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

United Way of Greater Chattanooga

Statement of Activities and Changes in Net Assets

Year ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support, Revenues and Gains:			
Gross campaign contributions	$ -	$ 8,481,471	$ 8,481,471
Less, provision for uncollectible pledges net of recoveries	-	(440,549)	(440,549)
Less, donor designations	-	(551,747)	(551,747)
Campaign contributions, net	-	7,489,175	7,489,175
Government and private grants	-	3,195,667	3,195,667
Investment return	2,257,096	37,973	2,295,069
Fee for service income	224,903	-	224,903
Special events	270,638	-	270,638
Other income	972,520	-	972,520
Net assets released from restrictions	10,809,184	(10,809,184)	-
Total public support, revenues and gains	14,534,341	(86,369)	14,447,972
Program Services			
211 Center	2,640,479	-	2,640,479
Community impact partnerships	99,587	-	99,587
Tutoring	345,661	-	345,661
Data	191,883	-	191,883
Nonprofit support	262,843	-	262,843
Other programs	253,161	-	253,161
Community investments	4,993,315	-	4,993,315
Total program services	8,786,929	-	8,786,929
Supporting Services			
Fundraising	1,900,883	-	1,900,883
Management and general	1,027,207	-	1,027,207
Total supporting services	2,928,090	-	2,928,090
Total expenses	11,715,019	-	11,715,019
Increase (decrease) in net assets	2,819,322	(86,369)	2,732,953
Net Assets, beginning of year	15,593,899	6,796,978	22,390,877
Net Assets, end of year	$ 18,413,221	$ 6,710,609	$ 25,123,830

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

United Way of Greater Chattanooga

Statement of Functional Expenses

Year ended June 30, 2024

	Program Services								Supporting Services		
	United For Working Families	**211 Center**	**Community Impact Partnerships**	**Tutoring**	**Nonprofit Support**	**Other Programs**	**Community Investments**	**Total Program Services**	**Fundraising**	**Management and General**	**Total**
Salaries and benefits	$ 65,653	$ 790,831	$ 190,509	$ 218,061	$ 217,199	$ 360,760	$ -	$ 1,843,013	$ 1,117,753	$ 931,348	$ 3,892,114
Meetings and events	622	1,997	2,976	2,465	21,009	9,648	-	38,717	246,193	11,589	296,499
Building and occupancy	-	-	-	-	657	-	-	657	-	190,076	190,733
Consultants and contractors	-	-	613	1,294,369	3,000	121,287	-	1,419,269	4,070	27,873	1,451,212
Memberships and dues	1,652	28,759	4,914	4,833	6,097	7,405	-	53,660	30,134	23,823	107,617
Professional fees	-	416	-	1,783	1,094	113	10,000	13,406	10,633	71,770	95,809
Communications and marketing	-	1,784	129	2,885	103	94	-	4,995	41,555	2,389	48,939
Staff development and training	15,384	2,889	3,531	1,974	2,403	818	995	27,994	10,009	12,833	50,836
Materials equipment and technology	193	76,585	8,752	11,302	3,136	1,533	-	101,501	138,012	115,428	354,941
Community investment grants	-	-	-	-	-	35,121	3,681,815	3,716,936	-	-	3,716,936
Designations to community agencies	-	-	-	-	-	-	556,924	556,924	-	-	556,924
Community impact projects	10,000	-	-	-	1,650	26,781	-	38,431	-	-	38,431
Grants and direct funding	-	785,893	-	-	-	30,826	-	816,719	-	-	816,719
Total expenses before depreciation and allocation of support services	93,504	1,689,154	211,424	1,537,672	256,348	594,386	4,249,734	8,632,222	1,598,359	1,387,129	11,617,710
Depreciation	2,166	39,221	5,309	6,728	8,126	10,293	-	71,843	41,441	24,312	137,596
Allocation of support services	4,177	75,599	10,232	12,969	15,664	19,841	-	138,482	79,880	(218,362)	-
Total expenses	$ 99,847	$ 1,803,974	$ 226,965	$ 1,557,369	$ 280,138	$ 624,520	$ 4,249,734	$ 8,842,547	$ 1,719,680	$ 1,193,079	$ 11,755,306

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

United Way of Greater Chattanooga

Statement of Functional Expenses

Year ended June 30, 2023

	Program Services								Supporting Services		
	211 Center	**Community Impact Partnerships**	**Tutoring**	**Data**	**Nonprofit Support**	**Other Programs**	**Community Investments**	**Total Program Services**	**Fundraising**	**Management and General**	**Total**
Salaries and benefits	$ 800,282	$ 61,596	$ 122,504	$ 162,384	$ 113,023	$ 105,910	$ -	$ 1,365,699	$ 1,111,432	$ 757,848	$ 3,234,979
Meetings and events	2,314	1,652	467	160	26,071	1,532	-	32,196	436,084	13,344	481,624
Building and occupancy	-	-	-	-	120	-	-	120	-	201,600	201,720
Consultants and contractors	-	15,000	36,560	4,231	7,143	36,085	-	99,019	21,937	72,975	193,931
Memberships and dues	767	250	-	-	260	250	-	1,527	1,667	107,155	110,349
Professional fees	10,702	-	3,455	5,000	247	-	10,000	29,404	16,380	60,727	106,511
Communications and marketing	604	-	6,465	-	-	-	-	7,069	26,785	2,642	36,496
Staff development and training	10,595	1,078	4,612	771	1,773	4,863	-	23,692	14,406	40,245	78,343
Materials equipment and technology	29,433	11,078	44,703	97	9,085	2,142	-	96,538	98,456	64,383	259,377
Income taxes	-	-	-	-	-	-	-	-	-	312	312
Community investment grants	495,332	-	-	-	-	-	4,431,568	4,926,900	-	-	4,926,900
Designations to community agencies	-	-	-	-	-	-	551,747	551,747	-	-	551,747
Community impact projects	-	-	105,311	-	75,000	59,699	-	240,010	-	-	240,010
Grants and direct funding	1,134,924	-	7	-	-	17,255	-	1,152,186	-	-	1,152,186
Total expenses before depreciation and allocation of support services	2,484,953	90,654	324,084	172,643	232,722	227,736	4,993,315	8,526,107	1,727,147	1,321,231	11,574,485
Depreciation	40,831	2,345	5,665	5,051	7,908	6,675	-	68,475	45,612	26,447	140,534
Allocation of support services	114,695	6,588	15,912	14,189	22,213	18,750	-	192,347	128,124	(320,471)	-
Total expenses	$ 2,640,479	$ 99,587	$ 345,661	$ 191,883	$ 262,843	$ 253,161	$ 4,993,315	$ 8,786,929	$ 1,900,883	$ 1,027,207	$ 11,715,019

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

United Way of Greater Chattanooga

Statements of Cash Flows

Years ended June 30, 2024 and 2023

	2024	2023
Cash flows from operating activities		
Increase (decrease) in net assets	$ (353,463)	$ 2,732,953
Adjustments to reconcile change in net assets to net cash required by operating activities:		
Depreciation	137,596	140,534
Provision for uncollectible pledges	(102,326)	(440,549)
Gain on investments, net	(536,711)	(1,868,836)
Loss on disposal of property and equipment	8,692	-
Accounts receivable	6,129	43,243
Contributions receivable	458,534	(354,842)
Other receivables	(236,726)	(856,549)
Prepaid expenses	(31,285)	25,796
Cash surrender value of life insurance	(28,629)	(11,255)
Accounts payable and accrued liabilities	189,654	(263,877)
Community investments and designations payable	(1,047,119)	172,507
Accrued employee benefits	(42,342)	(149,767)
Net cash required by operating activities	(1,577,996)	(830,642)
Cash flows from investing activities		
Proceeds from sale of investments	10,119,277	5,513,988
Purchase of investments	(8,347,446)	(5,354,400)
Purchase of property and equipment	(27,130)	(32,571)
Net cash provided by investing activities	1,744,701	127,017
Net increase (decrease) in cash	166,705	(703,625)
Cash and cash equivalents, beginning of year	439,126	1,142,751
Cash and cash equivalents, end of year	$ 605,831	$ 439,126

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

Note 1. Nature of Business and Significant Accounting Policies

United Way of Greater Chattanooga (the "Organization") is a nonprofit Tennessee corporation that operates to serve the greater Chattanooga area to ensure every child and family can thrive. The Organization's mission is to unite people and resources in building a stronger, healthier community. The Organization envisions a community where all people achieve their full human potential through education, stability, and health and well-being. Through the generous support of community partners, the Organization is driving impact in various core areas including 211 Helpline, Community Investment, Nonprofit Support and Innovation, Volunteerism, United for Working Families and Public Policy Advocacy. The Organization's donors are the force behind the work of serving more neighbors in need every year and building deeper connections within the greater Chattanooga community.

Basis of Accounting

The Organization follows accounting standards set by the Financial Accounting Standards Board ("FASB"). The FASB sets accounting principles generally accepted in the United States of America ("GAAP).

Financial Statement Presentation

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

- Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. All contributions are considered to be without donor-imposed restrictions unless specifically restricted by the donor.

- Net assets with donor restrictions – Net assets subject to donor-imposed restrictions that. 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 such resources be maintained in perpetuity.

Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction.

Use of Estimates

The preparation of financial statements in conformity with GAAP 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 and expenses during the reporting period. Actual results could vary from the estimates that were used.

Reclassifications

Certain balances in the 2023 financial statements and footnotes were reclassified to conform with the 2024 financial statement presentation.

Note 1. Nature of Business and Significant Accounting Policies, Continued

Revenue and Revenue Recognition

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

The Organization uses an allowance method to determine uncollectible pledges. The allowance is based on prior years' experience and management's analysis of specific promises made.

A portion of the Organizations' revenue is derived from cost-reimbursable federal, state, and other 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.

Program revenues are generally recognized when services are rendered. The Organization recognizes revenue from fundraising on the day of a fundraising event.

Cash and Cash Equivalents

Cash and cash equivalents include cash deposits in checking, money market accounts, and all other highly liquid investments that mature within three months of the financial statement position date.

Contributions and Accounts Receivable

The Organization reports contributions and accounts receivable, net of a discount and an allowance for uncollectible pledges, at the amount which represents management's estimate of the amount that ultimately will be realized. The Organization reviews the adequacy of its allowance for uncollectible accounts on an ongoing basis, using historical payment trends and existing economic conditions, as well as review of specific accounts, and makes adjustments in the allowance as necessary.

Investments

Investments are shown at their fair values in the statements of financial position. Investment return shown in the statements of activities and changes in net assets includes interest, dividends, and realized and unrealized gains and losses, net of investment expenses. Investment income is reported in the period earned as an increase in net assets without donor restrictions unless the use of the assets received is limited by donor-imposed restrictions. Investment income that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restrictions are met or expire in the year in which the income is recognized. All other donor-restricted investment income is reported as an increase in net assets with donor restrictions depending on the nature of the restrictions.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Expenditures for repairs and maintenance are charged to expense as incurred. Additions and improvements that significantly extend the lives of assets are capitalized. Upon the sale or other retirement of depreciable property, the related cost and associated accumulated depreciation are removed from the accounts and any gain or loss is reflected in operations. Depreciation is provided using the straight-line methods over the estimated useful lives of the depreciable assets.

Note 1. Nature of Business and Significant Accounting Policies, Continued

Community Investments Payable

Community investments payable represent commitments made by the Organization for program services related to community investments, grants and initiatives. Community investments payable and program service expense are recorded when the Organization has committed to an unconditional obligation.

Donor Designations

Annual campaign gifts in which the Organization agrees to transfer the gift to another beneficiary as designated by the donor constitute agency transactions and are deducted from gross campaign results to arrive at contribution revenue. In accordance with United Way Worldwide membership requirements, these designations are presented as part of gross campaign results on the statements of activities and changes in net assets, but are then deducted to arrive at the Organization's actual revenue under GAAP.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

The Organization annually evaluates all federal and state income tax positions. This process includes an analysis of whether these income tax positions the Organization takes meet the definition of an uncertain tax position under the Income Taxes Topic of the Financial Accounting Standards Codification. In the normal course of business, the Organization is subject to examination by federal and state taxing authorities. In general, the Organization is no longer subject to tax examinations for tax years ending before June 30, 2021.

Allocation of Functional Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The significant expenses that are allocated include salaries and benefits, occupancy, depreciation and other shared costs. These expenses are allocated on the basis of estimates of time and effort and/or the basis of square footage occupied.

Note 2. Recently Adopted Accounting Pronouncement

Effective July 1, 2023, the Organization adopted Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses*. The ASU introduces a "current expected credit loss" (CECL) model which requires all expected credit losses for financial instruments held at the reporting date to be based on historical experience, current conditions, and reasonable supportable forecasts. The CECL model replaces the existing incurred loss method and is applicable to the measurement of credit losses of financial assets. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in FASB ASC 326 were accounts receivable. The impact of the adoption was not considered material to the financial statements.

Note 3. Risks and Uncertainties

The Organization's financial instruments that are exposed to concentrations of credit risk consists primarily of cash and cash equivalents, accounts, and contributions receivable. At times, cash and cash equivalent balance exceed federally insured amounts. The Organization believes it reduces risks associated with balances in excess of federally insured amounts by maintaining its cash with major financial institutions with sound financial standing. Management continually monitors receivable balances and believes that its exposure to credit risk is limited. If liquidity issues arise in the global credit and capital markets, it is at least reasonable possible that these changes in risks could materially affect the amounts reported in the accompanying financial statements.

Note 4. Contributions Receivable

A summary of contributions receivable as of June 30, 2024 and 2023, is as follows:

	2024	2023
Receivable within one year	$ 3,741,877	$ 3,859,266
Receivable in one to five years	329,715	459,105
Receivable in five to seven years	-	191,715
	4,071,592	4,510,086
Present value discount	(16,247)	(33,881)
Allowance for doubtful accounts	(425,993)	(490,645)
	$ 3,629,352	$ 3,985,560

Pledges receivable that are due in more than one year are recorded at the present value of estimated future cash flows using a weighted average rate of approximately 4.36% and 3.75% as of June 30, 2024 and 2023, respectively.

Note 5. Liquidity and Availability

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to optimize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, receivables and investments. In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover expenditures not covered by donor restricted resources or, where appropriate, borrowings.

Financial assets available for general expenditures within one year of the statements of financial position date as of June 30, 2024 and 2023, is as follows:

	2024	2023
Financial assets at year-end:		
Cash and cash equivalents	$ 605,831	$ 439,126
Accounts receivable	10,898	17,027
Contributions receivable, net	3,629,352	3,985,560
Other receivables	1,093,275	856,549
Investments	21,428,015	22,663,136
Total financial assets	26,767,371	27,961,398

Note 5. Liquidity and Availability, Continued

	2024	2023
Adjustments:		
Less: contributions to be received after June 30 of the following year, net	(198,610)	(389,029)
Less: contributions receivable with donor purpose restrictions	(461,948)	(284,996)
Less: board designated endowment	(14,039,836)	(14,148,442)
Less: endowment with donor restrictions	(1,672,941)	(1,673,941)
Financial assets available to meet general expenditures over the next twelve months	$ 10,394,036	$ 11,464,990

The Organization maintains funds designated by the Board of Directors to function as endowments, totaling $14,039,836 and $14,148,442 as of June 30, 2024 and 2023, respectively, which the Board of Directors could make available for general use upon amendment of the Organization's endowment policy.

Note 6. Investments

At June 30, 2024 and 2023, investments consist of common stock, mutual funds, hedge funds, and investments in privately traded limited partnerships, and are categorized as follows:

	2024	2023
Endowment	$15,713,777	$15,822,383
Other investments	5,714,238	6,840,753
	$21,428,015	$22,663,136

The following table summarizes the investment return in the statements of activities and changes in net assets for 2024 and 2023:

	2024	2023
Net gain on investments	$ 536,711	$ 1,868,836
Interest and dividend income	516,973	538,154
Fees paid	(96,459)	(111,921)
	$ 957,225	$ 2,295,069

Certain investments in limited partnerships may have time restrictions or no immediate availability related to the withdrawal of funds.

Note 7. Endowment

GAAP requires the following financial statement disclosures for the Organization:

Classification of net assets

Endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions and policies established by the Board of Directors.

Note 7. Endowment, Continued

Interpretation of Relevant Law

The Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as enacted in the state of Tennessee, as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the donor-restricted endowment, (b) the original value of subsequent gifts to the donor-restricted endowment, and (c) accumulations to the donor-restricted 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, if any, is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

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

(1) The duration and preservation of the fund
(2) The purposes of the Organization and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the Organization
(7) The investment policies of the Organization

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s), as well as board-designated funds. Under this policy, as approved by the Organization, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Note 7. Endowment, Continued

Spending Policy

Endowment spending for funds designated by the Board of Directors to function as endowments will be an amount up to 5% of the trailing five-year quarterly average market value of the total endowment fund.

Endowment net assets composition by type of fund as of June 30, 2024 and 2023, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
June 30, 2024:			
Donor restricted endowment funds	$ -	$ 1,673,941	$ 1,673,941
Board designated endowment funds	14,039,836	-	14,039,836
	$14,039,836	$ 1,673,941	$15,713,777

	Without Donor Restrictions	With Donor Restrictions	Total
June 30, 2023:			
Donor restricted endowment funds	$ -	$ 1,673,941	$ 1,673,941
Board designated endowment funds	14,148,442	-	14,148,442
	$14,148,442	$ 1,673,941	$15,822,383

Changes in Endowment Net Assets for the fiscal period ended June 30, 2024 and 2023, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Year ended June 30, 2024:			
Endowment assets, beginning of year	$14,148,442	$ 1,673,941	$15,822,383
Investment return	957,225	-	957,225
Appropriation of endowment:			
Assets for expenditure	(1,065,831)	-	(1,065,831)
	$14,039,836	$ 1,673,941	$15,713,777

	Without Donor Restrictions	With Donor Restrictions	Total
Year ended June 30, 2023:			
Endowment assets, beginning of year	$12,970,451	$ 1,673,941	$14,644,392
Investment return	2,252,865	-	2,252,865
Appropriation of endowment:			
Assets for expenditure	(1,074,874)	-	(1,074,874)
	$14,148,442	$ 1,673,941	$15,822,383

Note 8. Assets and Liabilities Measured at Fair Value

Fair value is defined as the price that would be received upon sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The 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) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

Level 1 – Quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following is a description of the valuation methodology used for assets measured at fair value:

(i) Mutual funds: Valued at quoted market prices available in an active market.
(ii) Hedge funds: Valued at estimated net asset value per share of underlying long and short equity positions.
(iii) Investments in privately traded limited partnerships: Investments in privately traded limited partnerships have no quoted market prices and are stated at estimated fair value as provided by the general partner and/or the investment manager. These estimated values may be determined based on the value of the underlying assets, sales of comparable assets, projected cash flows or some combination thereof. Due to the inherent uncertainty of the valuation, the assigned fair values may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization's management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investments are held in agency accounts at various banks and investment firms, and several investment limited partnerships and money market accounts, and are carried at their fair market value.

Note 8. Assets and Liabilities Measured at Fair Value, Continued

The following tables set forth by level, within the fair value hierarchy, the Organization's investments at fair value as of June 30:

	2024 Fair Value			
	(Level 1)	(Level 2)	(Level 3)	Fair Value
Mutual funds	$18,905,806	$ -	$ -	$18,905,806
Investments at fair value	$18,905,806	$ -	$ -	$18,905,806
Investments in pass-through entities:				
TSWII Offshore SPC				499,150
LMC Compass Fund, L.P.				285,706
Pointer Offshore, Ltd.				1,737,353
Total investments measured at net asset value (a)				2,522,209
Total financial assets				$21,428,015

	2023 Fair Value			
	(Level 1)	(Level 2)	(Level 3)	Fair Value
Mutual funds	$19,930,329	$ -	$ -	$19,930,329
Investments at fair value	$19,930,329	$ -	$ -	$19,930,329
Investments in pass-through entities:				
TSWII Offshore SPC				481,344
LMC Compass Fund, L.P.				243,475
Pointer Offshore, Ltd.				2,007,988
Total investments measured at net asset value (a)				2,732,807
Total financial assets				$22,663,136

(a) In accordance with Accounting Standards Codification Subtopic 820-10, certain investments that were measured at fair value using the net asset value per share (or the equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the investments at fair value presented in the statements of financial position.

Note 8. Assets and Liabilities Measured at Fair Value, Continued

Investments in certain entities that calculate net asset value per share (or its equivalent) are reported as follows as of June 30:

	2024 Fair Value	2023 Fair Value	Redemption Frequency	Redemption Notice
TSWII Offshore SPC	$499,150	$481,344	Annually	60 days
LMC Compass Fund, L.P.	$285,706	$243,475	Quarterly	65 days
Pointer Offshore, Ltd.	$1,737,353	$2,007,988	Semi-annually	60 days

Note 9. Property and Equipment

Property and equipment as of June 30, 2024 and 2023, consisted of the following:

	2024	2023
Land	$ 227,782	$ 227,782
Buildings	2,799,347	2,799,347
Improvements	669,456	647,688
Computer equipment	86,032	185,527
Furniture and fixtures	271,478	374,510
	4,054,095	4,234,854
Less accumulated depreciation	(1,559,759)	(1,621,361)
	$ 2,494,336	$ 2,613,493

Depreciation expense for the years ended June 30, 2024 and 2023 totaled $137,596 and $140,534, respectively.

Note 10. Accrued Employee Benefits

A summary of accrued employee benefits as of June 30, 2024 and 2023, is as follows:

	2024	2023
Post-retirement benefits liability	$ 275,534	$ 359,378
Accrued sick and vacation	93,333	53,554
Other current employee benefits	14,300	12,577
	$ 383,167	$ 425,509

The Organization provides a health insurance supplement at age 65 for employees who have met the minimum service requirements upon normal retirement age of 62. Employees who were employed as of December 5, 2012, and have at least 10 years of service will receive the benefit. Employees who were employed as of December 5, 2012, having less than 10 years of service receive the benefit if they complete 20 years of service. Anyone employed after December 5, 2012, will not receive the benefit. The estimated liability is recorded at the present value of estimated future cash flows using a discount rate of 4.36% and 3.74%, and an inflation rate of 3.30% and 5.30%, as of June 30, 2024 and 2023, respectively.

Note 10. Accrued Employee Benefits, Continued

The following table provides a reconciliation of the changes in the post-retirement benefit liability for 2024 and 2023:

	2024	2023
Post-retirement benefits liability, beginning of year	$ 359,378	$ 516,374
Service cost	(25,352)	(18,497)
Interest costs	(16,668)	(29,928)
Change in discount rate assumption	(45,694)	(18,038)
Change in other assumptions	27,652	(62,411)
Actuarial loss	(6,605)	(10,582)
Benefits paid	(17,177)	(17,540)
Post-retirement benefits liability, end of year	$ 275,534	$ 359,378

Due to the level of risk associated with the post-retirement benefit liability, it is reasonably possible that changes to actual post-retirement benefits will occur and that such changes could materially affect the amounts reported in the statements of financial position.

Information about the expected future cash flows for the post-retirement benefit liability for the next ten years as of June 30, 2024, is as follows:

	Amount
2025	$ 23,199
2026	$ 23,963
2027	$ 19,567
2028	$ 20,214
2029	$ 20,881
2030 to 2034	$ 108,386

Note 11. Net Assets

Net assets are comprised of the following as of June 30, 2024 and 2023:

	2024	2023
Without donor restrictions:		
Without donor restrictions, undesignated	$ 4,208,485	$ 4,264,779
Without donor restrictions, board designated for endowment	14,039,834	14,148,442
Total net assets without donor restrictions	18,248,319	18,413,221
With donor restrictions:		
Purpose restrictions:		
Fundraising	-	84,956
Marketing	-	30,000
United for Working Families	230,000	-
211 Center	773,005	1,069,486
Imagination Library	1,448	16,707
Nonprofit Support	19,750	10,604
Early Learning Scholarships	38,595	75,170
Bridge Funds	339,671	-
Volunteer Center	18,664	41,812
Contributions to support community investment and operations of future periods	3,136,195	3,445,783
Total purpose restrictions	4,557,328	4,774,518
Time restrictions:		
Owned life insurance	290,779	262,150
Endowment funds	1,673,941	1,673,941
Total time restrictions	1,964,720	1,936,091
Total net assets with donor restrictions	6,522,048	6,710,609
Total net assets	$24,770,367	$25,123,830

Note 12. Retirement Plan

The Organization sponsors a defined contribution retirement plan covering substantially all employees. The Organization contributes a percentage of each eligible employee's annual compensation to the plan. This percentage was 6% during 2024 and 2023, with an additional 2% available as a matching contribution. The Organization made contributions of $235,120 and $197,183 to the plan in 2024 and 2023, respectively.

Note 13. Community Investment Grants

Community investment grants, other than donor designations, are recorded as an expense on the statements of functional expenses when they are approved by the Board of Directors. The Board of Directors approved community investment grants totaling $3,681,820 and $4,431,568 during the years ended June 30, 2024, and 2023, respectively. Community investment grants are generally paid to agencies in the year following approval.

Note 14. Employee Retention Credit

Under the provisions of the Coronavirus Aid, Relief, and Economic Security (CARES) Act signed into law on March 27, 2020, and the subsequent extension of the CARES Act, the Organization was eligible for refundable employee retention payroll tax credits subject to certain criteria. The Organization recognized other income of $236,726 and $856,549 for employee retention payroll tax credits during the years ended June 30, 2024, and 2023, respectively. As of June 30, 2024 and 2023, the Organization has recorded balances due from the United States government in the amount of $1,093,275 and $856,549 respectively, relating to these credits, which is presented as other receivables on the accompanying statements of financial position. In September 2024, the Organization received $325,192 from the United States government related to the amount due for the 2021 employee retention payroll tax credit and the associated interest. The Organization believes that the amounts recorded as of June 30, 2024 and 2023 are fully collectible and no reserve has been recorded.

Note 15. Subsequent Events

The Organization has evaluated subsequent events through November 7, 2024, the date the financial statements were available to be issued.

Supplementary Information

Reports and Other Schedules and Information

as Required by the Uniform Guidance

Year ended June 30, 2024

United Way of Greater Chattanooga

Schedule of Expenditures of Federal Awards
Year ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	
U.S. Department of Education				
Pass-through from the Tennessee Department of Education:				
Education Stabilization Fund	84.425U	S425U210047-21A	$	1,755,675
U.S. Department of Treasury				
Pass-through from the City of Chattanooga, Tennessee:				
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	S20234		196,687
Corporation for National and Community Service:				
Pass-through from the State of Tennessee:				
AmeriCorps State Commission Support Grants	94.003	FA00003458, FA22CAHP		38,357
Total Federal Expenditures			$	1,990,719

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards summarizes the expenditures of the Organization under programs of the federal government for the year ended June 30, 2024 and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the provisions of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the "Uniform Guidance"). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 2. Accounting Principles

Expenditures for direct costs are recognized as incurred using the accrual method of accounting and the cost accounting principles contained in the Uniform Guidance. Under these cost principles, certain types of expenditures are not allowed or are limited as to reimbursement.

Note 3. Indirect Cost Rate

The Organization did not elect to use the 10% de minimis cost rate under *Title 2 U.S. CFR Part 200*, Subpart E, Cost Principles.

SMITH+HOWARD PC

Independent Auditors' 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

Board of Directors of
United Way of Greater Chattanooga
Chattanooga, Tennessee

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 Greater Chattanooga ("the "Organization"), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 7, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization'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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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.

Smith and Howard

Chattanooga, Tennessee

November 7, 2024

423.803.1440 | smith-howard.com

715 Market Street | Suite 303 | Chattanooga, TN 37402

SMITH+HOWARD PC

Independent Auditors' Report On Compliance For Each Major Federal Program and Report On Internal Control Over Compliance Required By The Uniform Guidance

The Board of Directors of
United Way of Greater Chattanooga
Chattanooga, Tennessee

Report on Compliance for Each Major Federal Program

We have audited United Way of Greater Chattanooga (the "Organization") compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2024. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization 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

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; 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the Organization's compliance with the types of 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 the Organization's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the types of compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization'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 GAAS, 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 types of 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 the Organization's compliance with the requirements of the federal program as a whole.

In performing an audit in accordance with GAAS, 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 the Organization's compliance with the types of compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization'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 the Organization'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 Auditors' 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 have not been 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.

Smith and Howard

Chattanooga, Tennessee
November 7, 2024

423.803.1440 | smith-howard.com
715 Market Street | Suite 303 | Chattanooga, TN 37402

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	___ yes	X no
Significant deficiencies identified that are not considered to be material weakness(es)?	___ yes	X none reported
Noncompliance material to financial statements noted?	___ yes	X no

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	___ yes	X no
Significant deficiencies identified that are not considered to be material weakness(es)?	___ yes	X none reported
Type of auditors' report issued on compliance of major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	___ yes	X no

Identification of major programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
84.425	Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs:	$ 750,000	
Auditee qualified as low-risk auditee?	X yes	___ no

Section II – Financial Statement Findings

None noted.

Section III – Federal Award Findings and Questions Costs

None noted.

Section IV – Summary Schedule of Prior Audit Findings and Questions Costs

There were no findings or questioned costs relative to federal awards reported in the financial statement audit of United Way of Greater Chattanooga as of and for the year ended June 30, 2023.