

**UNITED WAY OF RHODE ISLAND, INC.**

**Financial Statements  
and Supplementary Information**

**Years Ended June 30, 2023 and 2022**

**(With Independent Auditors' Report Thereon)**

**UNITED WAY OF RHODE ISLAND, INC.**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**Years Ended June 30, 2023 and 2022**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
United Way of Rhode Island, Inc.:

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Rhode Island, Inc. as of June 30, 2023 and 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 audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the 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 for one year after the date that the financial statements are available to be issued.

### ***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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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.

### ***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* 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. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards 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 December 11, 2023, 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.

*Kahn, Litwin, Rengas & Co., Ltd.*

December 11, 2023

**UNITED WAY OF RHODE ISLAND, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2023 and 2022**



	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 8,339,832	\$ 9,014,893
Pledges receivable, net	1,545,308	2,007,881
Contributions and grants receivable	886,013	951,594
Prepaid expenses and other assets	168,424	199,339
<b>Total current assets</b>	<b><u>10,939,577</u></b>	<b><u>12,173,707</u></b>
 Pledges Receivable, less current portion	 20,000	 240,000
Property and Equipment, net	2,683,548	2,723,163
Investments	7,375,823	7,196,982
Investments Held by Others	913,263	884,077
Beneficial Interest in Perpetual Trusts	<u>6,388,388</u>	<u>6,116,319</u>
 <b>Total Assets</b>	 <b><u>\$ 28,320,599</u></b>	 <b><u>\$ 29,334,248</u></b>
 <b>Liabilities and Net Assets</b>		
Current Liabilities:		
Campaign designations payable	\$ 1,303,927	\$ 1,393,198
Grants and accounts payable and accrued expenses	2,622,865	3,590,168
Note payable, current portion	46,319	44,483
<b>Total current liabilities</b>	<b><u>3,973,111</u></b>	<b><u>5,027,849</u></b>
 Note Payable, less current portion	 <u>1,746,979</u>	 <u>1,791,965</u>
<b>Total liabilities</b>	<b><u>5,720,090</u></b>	<b><u>6,819,814</u></b>
 Net Assets:		
Without donor restrictions:		
Available for grants, programs and operations	9,865,083	8,386,073
Invested in property and equipment, net	890,250	886,715
Board designated	4,940,211	6,285,094
<b>Total net assets without donor restrictions</b>	<b><u>15,695,544</u></b>	<b><u>15,557,882</u></b>
With donor restrictions	<u>6,904,965</u>	<u>6,956,552</u>
<b>Total net assets</b>	<b><u>22,600,509</u></b>	<b><u>22,514,434</u></b>
 <b>Total Liabilities and Net Assets</b>	 <b><u>\$ 28,320,599</u></b>	 <b><u>\$ 29,334,248</u></b>

See accompanying notes to the financial statements and independent auditors' report.

**UNITED WAY OF RHODE ISLAND, INC.**  
**STATEMENTS OF ACTIVITIES**  
**Years Ended June 30, 2023 and 2022**



	<b>2023</b>	<b>2022</b>
Change in Net Assets without Donor Restrictions:		
Support and revenue:		
Campaign revenue:		
Campaign pledges generated	\$ 10,121,409	\$ 10,400,832
Less provision for uncollectible pledges	(44,753)	(53,010)
Less amounts designated by donors	(4,960,463)	(5,501,608)
<b>Campaign revenue, net</b>	<b>5,116,193</b>	<b>4,846,214</b>
Contribution income from the Rhode Island Foundation	3,966,587	3,993,755
Grant income, net	4,357,623	6,401,929
Other income	547,695	645,509
Investment return, net	1,299,897	(717,822)
Net assets released from restrictions	1,399,779	905,932
<b>Total support and revenue</b>	<b>16,687,774</b>	<b>16,075,517</b>
Expenses:		
Program services	14,240,706	18,428,022
General and administrative	1,191,185	2,030,097
Fundraising	1,118,221	943,445
<b>Total expenses</b>	<b>16,550,112</b>	<b>21,401,564</b>
<b>Change in net assets without donor restrictions</b>	<b>137,662</b>	<b>(5,326,047)</b>
Change in Net Assets with Donor Restrictions:		
Campaign and contribution income	1,076,123	736,670
Change in fair value of beneficial interest in perpetual trusts	272,069	(1,101,842)
Net assets released from restrictions	(1,399,779)	(905,932)
<b>Change in net assets with donor restrictions</b>	<b>(51,587)</b>	<b>(1,271,104)</b>
<b>Change in Net Assets</b>	<b>86,075</b>	<b>(6,597,151)</b>
<b>Net Assets, beginning of year</b>	<b>22,514,434</b>	<b>29,111,585</b>
<b>Net Assets, end of year</b>	<b>\$ 22,600,509</b>	<b>\$ 22,514,434</b>

**UNITED WAY OF RHODE ISLAND, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended June 30, 2023**



	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Program grants and awards	\$ 6,414,026	\$ -	\$ -	\$ 6,414,026
Personnel and related:				
Salaries	4,873,923	551,352	475,131	5,900,406
Payroll taxes	315,102	82,419	33,311	430,832
Employee benefits	616,494	249,371	57,868	923,733
<b>Total personnel and related</b>	<b><u>5,805,519</u></b>	<b><u>883,142</u></b>	<b><u>566,310</u></b>	<b><u>7,254,971</u></b>
Other expenses:				
Advertising	191,903	1,544	52,704	246,151
Depreciation	128,864	28,284	-	157,148
Equipment - repairs and rental	61,534	18,197	136	79,867
Meetings, events and travel	188,909	60,008	153,109	402,026
Miscellaneous	7,351	50,298	457	58,106
Occupancy	198,270	17,898	7,828	223,996
Office supplies and other expenses	246,886	22,099	13,482	282,467
Postage and shipping	30,041	17,358	1,007	48,406
Professional fees - grants	91,452	-	-	91,452
Professional fees and contractual services	633,871	65,651	313,498	1,013,020
Telephone and internet	151,150	7,326	-	158,476
United Way Worldwide Dues	90,930	19,380	9,690	120,000
<b>Total other expenses</b>	<b><u>2,021,161</u></b>	<b><u>308,043</u></b>	<b><u>551,911</u></b>	<b><u>2,881,115</u></b>
<b>Total expenses</b>	<b><u><u>\$ 14,240,706</u></u></b>	<b><u><u>\$ 1,191,185</u></u></b>	<b><u><u>\$ 1,118,221</u></u></b>	<b><u><u>\$ 16,550,112</u></u></b>

See accompanying notes to the financial statements and independent auditors' report.



**UNITED WAY OF RHODE ISLAND, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended June 30, 2022**



	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Program grants and awards	\$ 11,128,862	\$ -	\$ -	\$ 11,128,862
Personnel and related:				
Salaries	4,319,804	1,309,864	579,680	6,209,348
Payroll taxes	269,095	89,100	30,175	388,370
Employee benefits	671,026	290,978	91,412	1,053,416
<b>Total personnel and related</b>	<b>5,259,925</b>	<b>1,689,942</b>	<b>701,267</b>	<b>7,651,134</b>
Other expenses:				
Advertising	155,264	2,627	31,393	189,284
Depreciation	202,458	44,442	-	246,900
Equipment - repairs and rental	4,074	10,005	-	14,079
Meetings, events and travel	124,815	21,217	117,544	263,576
Miscellaneous	16,443	57,923	333	74,699
Occupancy	192,754	11,239	5,025	209,018
Office supplies and other expenses	194,549	48,154	17,134	259,837
Postage and shipping	21,869	11,206	6,860	39,935
Professional fees - grants	63,487	-	-	63,487
Professional fees and contractual services	854,367	91,452	48,965	994,784
Telephone and internet	77,968	13,001	-	90,969
United Way Worldwide Dues	131,187	28,889	14,924	175,000
<b>Total other expenses</b>	<b>2,039,235</b>	<b>340,155</b>	<b>242,178</b>	<b>2,621,568</b>
<b>Total expenses</b>	<b>\$ 18,428,022</b>	<b>\$ 2,030,097</b>	<b>\$ 943,445</b>	<b>\$ 21,401,564</b>

See accompanying notes to the financial statements and independent auditors' report.

**UNITED WAY OF RHODE ISLAND, INC.**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended June 30, 2023 and 2022**



	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 86,075	\$ (6,597,151)
Adjustments to reconcile change in net assets		
to net cash used by operating activities:		
Provision for uncollectible receivables	44,753	53,010
Depreciation expense	157,148	246,900
Net gain on sale of property and equipment	(17,465)	-
Beneficial interest in perpetual trusts net change	(272,069)	1,101,842
Net gain on investments	(849,105)	1,100,711
Net gain on investments held by others	(29,186)	94,072
Changes in operating assets and liabilities:		
Pledges receivable, net	637,820	413,260
Contributions and grants receivable	65,581	1,740,581
Prepaid expenses and other assets	30,915	(97,100)
Campaign designations payable	(89,271)	168,339
Grants and accounts payable and accrued expenses	(967,303)	526,569
<b>Net cash used by operating activities</b>	<u><b>(1,202,107)</b></u>	<u><b>(1,248,967)</b></u>
Cash Flows from Investing Activities:		
Purchase of property and equipment	(119,567)	(252,808)
Proceeds from sale of property and equipment	19,499	-
Proceeds from sale of investments	1,579,920	1,382,473
Purchase of investments	(909,656)	(1,196,471)
<b>Net cash used by investing activities</b>	<u><b>570,196</b></u>	<u><b>(66,806)</b></u>
Cash Flows from Financing Activities:		
Payments on note payable	(43,150)	(37,506)
<b>Net cash used by financing activities</b>	<u><b>(43,150)</b></u>	<u><b>(37,506)</b></u>
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(675,061)</b>	<b>(1,353,279)</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<u><b>9,014,893</b></u>	<u><b>10,368,172</b></u>
<b>Cash and Cash Equivalents, end of year</b>	<u><b>\$ 8,339,832</b></u>	<u><b>\$ 9,014,893</b></u>
<b>Supplemental Data:</b>		
Cash paid for interest	<u><u>\$ 74,605</u></u>	<u><u>\$ 95,578</u></u>

**UNITED WAY OF RHODE ISLAND, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Years Ended June 30, 2023 and 2022**



**1. Nature of Operations**

United Way of Rhode Island, Inc. (the Organization) is a statewide not-for-profit organization committed to a Rhode Island where every individual in each community has equal opportunity for justice and prosperity. The Organization works with partners in the nonprofit, corporate, and government sectors to create and invest in programs that provide results over the short term and are scalable over the long term.

Financial support for the Organization directly funds critical programs and urgent services; much of the Organization's fundraising and administrative costs are covered by contributions from a trust at the Rhode Island Foundation (see Note 10).

In January 2021, the Organization released *Live United 2025*, its new strategic plan focused on uniting the community and resources to build racial equity and opportunity for all Rhode Islanders. The Strategic Plan directs its work to address the following themes:

- Strengthen educational opportunities for children and adults.
- Alter policies that perpetuate inequities for people of color.
- Promote resiliency in the nonprofit community.
- Fund organizations focused on advancing racial and socioeconomic equity.
- Make housing safe and affordable for all.
- Make it easier for Rhode Islanders to access the services they need.

To that end, the Organization uses its campaign revenue for initiatives such as the following:

- Help Rhode Islanders gain access to affordable housing, food, and healthcare services through 211, the community service call line that is available 24 hours a day, 365 days a year and in 200 different languages.
- Support Rhode Island youth in early and out of school time learning programs. This includes the Organization funding and supporting the Summer Learning Initiative, which works with students in five communities throughout the state.
- Support working-age Rhode Islanders with education and training opportunities, as well as financial stability classes and one-on-one financial coaching.
- Help Rhode Islanders prepare their income taxes for free through Volunteer Income Tax Assistance (VITA) program.
- Manage the statewide volunteer center and coordinate 2,300 volunteers in more than 8,300 hours of community service.

The Organization is powered by thousands of donors and hundreds of companies, and works in partnership with the entire nonprofit community. Working together, the Organization is building hope in a Rhode Island where everyone can live, learn, and thrive.

**UNITED WAY OF RHODE ISLAND, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Years Ended June 30, 2023 and 2022**



**2. Summary of Significant Accounting Policies**

This summary of significant accounting policies of the Organization is presented to assist the reader in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

***Accounting Pronouncement Adopted***

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases*, which was later delayed to be effective for annual periods beginning after December 15, 2021. The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the statement of financial position at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the statement of activities. Effective July 1, 2022, the Organization adopted ASU 2016-02. The adoption of ASU 2016-02 did not have a significant effect on the Organization's financial statements.

***Basis of Presentation***

The Organization prepares its financial statements on the accrual basis of accounting and, in accordance with authoritative guidance, reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions.

***Net Assets without Donor Restrictions***

Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes.

***Net Assets with Donor Restrictions***

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction is satisfied, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

***Cash and Cash Equivalents***

The Organization considers all cash balances and highly liquid investments with original maturities of three months or less to be cash and cash equivalents, except those funds which the Board has designated for investment.

**UNITED WAY OF RHODE ISLAND, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Years Ended June 30, 2023 and 2022**



***Pledges Receivable***

The Organization conducts annual fundraising campaigns. Pledges receivable (unconditional promises to give) that are expected to be collected within one year are recorded at their net realizable value. Pledges receivable that are expected to be collected in future years are recorded at the present value of estimated future cash flows. If material, receivables with amounts due beyond one year are discounted to their net present value using the interest rate for treasury bills with a remaining term equal to future receipts.

The Organization records an allowance for uncollectible pledges and grants based on historical campaign pledge loss experience, adjusted for current economic conditions. In addition, such allowance is based on an analysis of overall campaign pledges, including corporate gifts, individual gifts, and employee workplace campaigns. The allowance for uncollectible pledges was approximately \$600,000 at June 30, 2023 and 2022.

***Contributions and Grants Receivable***

Contributions that are not from the annual fundraising campaign, including unconditional promises to give, are recognized in the period the contribution or promise is made. Conditional promises to give are not recognized until they become unconditional, that is when the conditions are substantially met. If material, receivables with amounts due beyond one year are discounted to their net present value using the interest rate for treasury bills with a remaining term equal to future receipts. At June 30, 2023 and 2022, all contributions and grants receivable were due within one year.

When considered necessary, an allowance is recorded based on management's estimate of collectability, including such factors as prior collection history, type of contribution, and the nature of the fundraising activity. The Organization will then exhaust all methods in-house to collect the receivable. Once all practical resources to collect the receivable have been utilized without success, the receivable is deemed uncollectible and charged against the allowance for doubtful accounts. At June 30, 2023 and 2022, the Organization had no allowance for uncollectible contributions and grants.

***Property and Equipment***

All expenditures for property and equipment in excess of \$2,500 are capitalized at cost; the fair value of donated assets is similarly recorded. Depreciation is computed on a straight-line basis over the estimated useful lives of the related assets, ranging from three to forty years.

***Investments and Fair Value Measurements***

The Organization reports its investments at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income, or cost approach, as specified by authoritative guidance, are used to measure fair value.

**UNITED WAY OF RHODE ISLAND, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Years Ended June 30, 2023 and 2022**



The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Organization has the ability to access.

Level 2 inputs (other than quoted prices included within level 1) are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. The unobservable inputs are developed based on the best information available in the circumstances and may include the Organization's own data.

The Organization reports investments at fair value on a recurring basis. These investments are classified as level 1 and 3 within the fair value hierarchy.

Level 1 investments owned by the Organization and listed on a National Securities Exchange are valued at the last recorded sales price as of the financial statement reporting date. In the absence of recorded sales, Level 1 investments are valued at the last quoted bid price reported as of the financial statement reporting date.

Level 3 investment values are provided by the trustee, who develops their valuations using the third-party monthly investment broker's statements. Due to the inaccessibility of these broker statements, as well as the Organization's lack of control over the investing activities, the funds held in the trust are considered unobservable market inputs in accordance with authoritative guidance.

Realized and unrealized gains and losses are included in net investment return in the statement of activities. Gains and losses on investments are reported as changes in net assets without donor restrictions, unless restricted by a donor's explicit stipulation or by a law that extends a donor's restriction.

Dividends and interest are recorded as received, which does not differ materially from the accrual basis. Purchases and sales of securities are recorded on the trade date.

***Support and Revenue Recognition***

***Campaign Revenue, Grant and Contribution Income*** - The Organization recognizes contributions in the fiscal year in which the contribution is made. Contributions are recorded as net assets with or without donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. However, it is also the policy of the organization to show net assets with donor restrictions that are both received and fully expended in the same fiscal year directly in net assets without donor restrictions.

**UNITED WAY OF RHODE ISLAND, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Years Ended June 30, 2023 and 2022**



The Organization recognizes cost-reimbursement grant income as grant expenditures are incurred. The Organization recognizes other grant income when contractual obligations have been met.

***Contributed Nonfinancial Assets*** - Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills and are provided by individuals possessing those skills, and that would typically need to be purchased if not provided by donation are recorded at their fair values in the period received.

***Income Taxes***

The Organization is exempt from income taxes as a public charity under Section 501(c)(3) of the Internal Revenue Code. Management believes that the Organization operates in a manner consistent with its tax-exempt status at both the state and federal levels.

The Organization annually files IRS Form 990 - *Return of Organization Exempt from Income Tax*, reporting various information that the IRS uses to monitor the activities of tax-exempt entities. These tax returns are subject to review by the taxing authorities generally for a period of three years after they were filed. The Organization currently has no tax examinations in progress.

***Allocation of Expenses***

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The Organization's operating costs have been allocated between program expenses, general and administrative, and fundraising based on direct identification when possible, and allocation if an expenditure benefits more than one program or function. Expenditures that require allocation include occupancy and depreciation, which are allocated on a square footage basis, as well as salaries, payroll taxes, benefits, professional fees and contractual services, supplies, telephone, and interest, which are allocated on the basis of estimates of time and effort.

***Advertising***

Advertising and promotional expenditures are expensed as incurred.

***Estimates and Assumptions***

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

**UNITED WAY OF RHODE ISLAND, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Years Ended June 30, 2023 and 2022**



***Reclassifications***

Certain amounts in the 2022 financial statements have been reclassified to conform to the 2023 financial statement presentation.

***Subsequent Events***

Management has evaluated subsequent events through December 11, 2023, which is the date these financial statements were available to be issued.

**3. Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at June 30, 2023 and 2022:

	2023	2022
Financial assets:		
Cash and cash equivalents	\$ 8,339,832	\$ 9,014,893
Pledges receivable, net	1,545,308	2,007,881
Contributions and grants receivable	886,013	951,594
Current financial assets, end of year	<u>10,771,153</u>	<u>11,974,368</u>
Less: financial assets unavailable for general expenditure within one year		
Subject to restriction based on time	<u>205,000</u>	<u>160,000</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 10,566,153</u>	<u>\$ 11,814,368</u>

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In the event of an unanticipated liquidity needed, the Organization has a revolving line of credit with a local bank for \$3,000,000 (Note 7). In addition, the Board, at its discretion, could expend from its board-designated funds of \$4,940,211 and \$6,285,094 at June 30, 2023 and 2022, respectively, (Note 9), other than amounts appropriated for general expenditure, in the event of an emergency.



**UNITED WAY OF RHODE ISLAND, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Years Ended June 30, 2023 and 2022**



**4. Pledges Receivable**

Pledges receivable consist of promises to give from contributors to support the Organization's charitable mission. The promised contributions are due as follows:

	2023	2022
Within one year, net of allowance of \$600,000	\$ 1,545,308	\$ 2,007,881
One to two years	20,000	220,000
Two to three years	-	20,000
Total pledges receivable	1,565,308	2,247,881
Less current portion, net	1,545,308	2,007,881
	<u>\$ 20,000</u>	<u>\$ 240,000</u>
Pledges receivable, less current portion	<u>\$ 20,000</u>	<u>\$ 240,000</u>

**5. Property and Equipment**

Property and equipment consisted of the following:

	2023	2022
Land	\$ 488,000	\$ 488,000
Buildings and improvements	3,069,492	3,022,992
Equipment and software	1,257,715	1,218,480
Motor vehicles	287,505	284,174
	5,102,712	5,013,646
Less accumulated depreciation	2,419,164	2,290,483
Total property and equipment, net	<u>\$ 2,683,548</u>	<u>\$ 2,723,163</u>

**UNITED WAY OF RHODE ISLAND, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Years Ended June 30, 2023 and 2022**



**6. Investments**

Investments, investments held by others and beneficial interest in perpetual trusts are presented in the financial statements at their aggregate fair value and consist of the following:

	June 30, 2023		
	Level 1	Level 3	NAV (a)
Money market mutual funds	\$ 226,083	\$ -	\$ -
Fixed income securities	471,590	-	-
Equity securities	2,851,839	-	-
Mutual funds	3,826,311	-	-
Investments held by others	-	-	913,263
Beneficial interest in perpetual trusts	-	6,388,388	-
Total investments	<u>\$ 7,375,823</u>	<u>\$ 6,388,388</u>	<u>\$ 913,263</u>

	June 30, 2022		
	Level 1	Level 3	NAV (a)
Money market mutual funds	\$ 301,042	\$ -	\$ -
Fixed income securities	588,717	-	-
Equity securities	2,850,096	-	-
Mutual funds	3,457,127	-	-
Investments held by others	-	-	884,077
Beneficial interest in perpetual trusts	-	6,116,319	-
Total investments	<u>\$ 7,196,982</u>	<u>\$ 6,116,319</u>	<u>\$ 884,077</u>

(a) In accordance with Subtopic 820-10, certain financial instruments that were measured at net asset value per share (or its equivalent) 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 line items presented in the statement of financial position and notes to the financial statements.

The Organization values its beneficial interest in perpetual trusts at fair value based on the information provided by the financial institutions.

**UNITED WAY OF RHODE ISLAND, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Years Ended June 30, 2023 and 2022**



A reconciliation of investments measured at fair value using significant unobservable inputs (level 3) is as follows:

	2023	2022
Beginning balance	\$ 6,116,319	\$ 7,218,161
Change in fair value	272,069	(1,101,842)
Ending balance	<u>\$ 6,388,388</u>	<u>\$ 6,116,319</u>

***Investments Held by Others***

In April 2007, the Organization established the United Way of Rhode Island Fund (the Fund) at the Rhode Island Foundation (the RI Foundation) and agreed that the Organization would receive annual distributions determined by the RI Foundation's spending rule in effect at the time of distribution. At June 30, 2023 and 2022, the spending rate was 4.5% of the Fund's balance, averaged over the previous 16 quarters (or over the total number of quarters in existence, if less than 16). For the years ended June 30, 2023 and 2022, the Fund's balance, reported as investments held by others in the accompanying statements of financial position, totaled \$913,263 and \$884,077, respectively.

***Beneficial Interest in Perpetual Trusts***

The Organization holds a beneficial interest in perpetual trusts. Under the terms of the trust agreements, the Organization has the irrevocable right to receive the income earned by these trusts. In accordance with the donors' wishes, the distributions received by the Organization from these trusts are available for current operations. During the years ended June 30, 2023 and 2022, the Organization received a distribution of trust income in the amount of \$283,660 and \$275,234, respectively.

**7. Revolving Line of Credit**

The Organization has a revolving line of credit agreement (line of credit) with a bank, as amended during the year ended June 30, 2022, that provides for maximum available borrowings of the lesser of \$3,000,000 or 90% of eligible receivables, as defined in the agreement. The line of credit is due on demand with interest payable at the prime rate (8.25% and 4.75% at June 30, 2023 and 2022, respectively) less 1.25%. The line is secured by all business assets, excluding real estate. No amount was outstanding under the line of credit at June 30, 2023 and 2022.

In connection with the line of credit, the Organization is subject to a restrictive covenant that requires a minimum level of income from The Rhode Island Charities Trust via the Rhode Island Foundation (RI Foundation). See Note 10.

**UNITED WAY OF RHODE ISLAND, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Years Ended June 30, 2023 and 2022**



**8. Note Payable**

The Organization has a note payable to a local bank which requires monthly payments of \$9,831, with an interest rate of 4.05% through December 2031, at which time all outstanding principal and interest is due. The note payable is collateralized by land, building and improvements.

The scheduled maturities of the note as of June 30, 2023 are as follows:

Year Ending

June 30, 2024	\$ 46,319
June 30, 2025	48,230
June 30, 2026	50,220
June 30, 2027	52,292
June 30, 2028	54,450
Thereafter	1,541,787
Total	1,793,298
Less current portion	46,319
	<hr/>
Note payable, noncurrent	\$ 1,746,979
	<hr/>

The Organization is required to maintain certain financial covenants that are more fully described in the loan agreement. At June 30, 2023 and 2022, the Organization was in compliance with the financial covenants.

**UNITED WAY OF RHODE ISLAND, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Years Ended June 30, 2023 and 2022**



**9. Net Assets**

Net assets consisted of the following at June 30:

	2023	2022
Net Assets without Donor Restrictions		
Available for grants, programs, and operations	\$ 9,865,083	\$ 8,386,073
Invested in property and equipment, net	890,250	886,715
Board-Designated:		
Building fund	30,185	30,185
Clay mine reserve	797,396	797,396
Community investment grants	207,492	172,451
Endowment (Note 11)	913,263	884,077
MyFund	2,242,875	2,021,985
National philanthropic trust	749,000	2,379,000
Total board-designated	4,940,211	6,285,094
Total net assets without donor restrictions	15,695,544	15,557,882
Net Assets with Donor Restrictions		
Subject to expenditure due to time	225,000	400,000
Subject to expenditure for specific purpose:		
Nonprofit Resource Center	41,518	-
RI Good Neighbor Energy Program	250,059	237,204
United Way 211 in RI	-	168,029
Volunteer Income Tax Assistance Program	-	35,000
	516,577	840,233
Subject to Restriction in Perpetuity:		
Perpetual trust (Note 6)	6,388,388	6,116,319
Total net assets with donor restrictions	6,904,965	6,956,522
Total net assets	\$ 22,600,509	\$ 22,514,434

**10. Contribution Income from the Rhode Island Foundation**

During the years ended June 30, 2023 and 2022, the Organization received contributions from the RI Foundation of approximately \$3,966,600 and \$3,993,800, respectively. The contributions were made at the discretion of the RI Foundation and were funded through two sources as described below.

**UNITED WAY OF RHODE ISLAND, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Years Ended June 30, 2023 and 2022**



The RI Foundation controls a community fund, The Rhode Island Charities Trust (the Trust), which had an investment balance of approximately \$88,500,000 and \$85,600,000 as of June 30, 2023 and 2022, respectively. The Trust is held and controlled by the RI Foundation and not reflected on the financial statements of the Organization given that variance power was granted to the RI Foundation. Distributions from the Trust are subject to the RI Foundation's spending policy as determined by the RI Foundation's Board of Directors. At its discretion, the RI Foundation uses its income from this Trust to fund its contributions to the Organization, which were approximately \$3,847,000 and \$3,737,400 for the years ended June 30, 2023 and 2022, respectively.

In addition, the RI Foundation has contributed, at its discretion, its royalty income earned on the RI Foundation's ownership rights in several properties located in Georgia from which clay called "kaolin" is mined (clay mine). The clay is mined by a certain company, which pays royalty income to the RI Foundation for the clay it has mined. Clay mine revenue is dependent on weather conditions, customer demand and mining production. For the years ended June 30, 2023 and 2022, the Organization received approximately \$119,600 and \$256,400, respectively, in contributions from the RI Foundation that were funded using the royalties generated by the clay mine.

## **11. Endowment**

The Organization's endowment includes endowment funds designated by the Board to provide income for the Organization. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based upon the existence or absence of donor-imposed restrictions.

### ***Board-designated Endowment***

The Board designated certain net assets without donor restrictions as funds functioning as endowment to support the mission of the Organization. Since the funds resulted from an internal designation and are not donor-restricted, they are classified and reported within net assets without donor restrictions. However, they are managed in the same manner as the donor-restricted endowment funds described below.

**UNITED WAY OF RHODE ISLAND, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Years Ended June 30, 2023 and 2022**



***Interpretation of Relevant Law***

The Rhode Island Uniform Prudent Management of Institutional Funds Act (RIUPMIFA) requires 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, the Organization classifies as net assets with donor restrictions (a) the original value of the gift 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 donor's gift instrument. The remaining portion of the donor-restricted fund that is not classified in net assets with donor restrictions in perpetuity is classified as net assets with donor restrictions subject to spending policy and appropriation until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by RIUPMIFA.

In accordance with RIUPMIFA, the Organization considers the long and short-term needs of the Organization in carrying out its mission, the Organization's present and anticipated financial requirements, expected total returns on the Organization's investments, and general economic conditions in making a determination to appropriate or accumulate donor-restricted endowment funds.

Changes in the Board Designated Endowment Net Assets were as follows:

	2023	2022
Endowment net assets, beginning of year	\$ 884,077	\$ 978,149
Endowment return, net	66,686	(58,277)
Amounts appropriated for expenditure	(37,500)	(35,795)
Endowment net assets, end of year	<u>\$ 913,263</u>	<u>\$ 884,077</u>

***Funds with Deficiencies***

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or RIUPMIFA requires the Organization to retain as a fund of perpetual duration. There were no funds with deficiencies as of June 30, 2023 and 2022.

***Return Objective 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 consist of board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results over time, to provide an average annual rate of return that is in the top twenty percent as compared to the annual rate of return of other institutional endowments.

**UNITED WAY OF RHODE ISLAND, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Years Ended June 30, 2023 and 2022**



***Spending Policy and How Investment Objectives Relate to Spending Policy***

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 emphasis on investments in equities, bonds and absolute return strategies in a ratio to achieve its long-term return objectives within prudent risk constraints.

**12. Commitments and Contingencies**

***Retirement Plan***

The Organization has a 403(b) defined contribution retirement plan (Plan) which covers all employees who are scheduled to work at least 1,000 hours per year. Matching contributions under the Plan range from 3% to 6% of an employee's salary, depending on years of service. Retirement plan expense for the years ended June 30, 2023 and 2022 was approximately \$81,900 and \$126,000, respectively, and is included in employee benefits in the statement of functional expenses.

***Operating Lease Agreements***

The Organization leases certain office equipment under operating lease agreements, expiring at various dates through June 2024. For the years ended June 30, 2023 and 2022, rent expense under all operating leases was approximately \$15,500 and \$21,600, respectively. Since the lease payments are not considered material, authoritative guidance relating to lease accounting has not been applied.

**13. Concentrations of Credit Risk**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents, pledges receivable and investments.

The Organization maintains its operating accounts in one financial institution. The balance is insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2023 and 2022, the uninsured portion of this balance was \$4,799,947 and \$9,333,392, respectively. Management believes that the Organization is not exposed to any significant credit risk related to these accounts.

At June 30, 2023 and 2022, the pledges receivable balance was due from multiple donors with no concentrations greater than 10%. Management has performed an analysis of these receivables and does not believe that significant credit risk exists relating to pledges receivable.



**UNITED WAY OF RHODE ISLAND, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Years Ended June 30, 2023 and 2022**



The Organization's investments consist of a diversified portfolio of various investment vehicles including money market funds, fixed income securities, equity securities, and mutual funds. These investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term. Management believes the diversity of the portfolio minimizes the risk of loss.

**United Way of Rhode Island, Inc.**

Reports Required by  
*Government Auditing Standards –*  
Title 2 U.S. *Code of Federal Regulations*  
Part 200 – *Uniform Administrative*  
*Requirements, Cost Principles,*  
*and Audit Requirements for Federal Awards*

Year Ended June 30, 2023

**UNITED WAY OF RHODE ISLAND, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2023**



Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Award Number	Federal Expenditures	Amounts Provided to Subrecipients
<u>U.S. Department of Agriculture</u>				
<i>Passed through the State of Rhode Island</i>				
<i>SNAP Cluster:</i>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	224RI405S2514	\$ 35,939	\$ -
<i>Total U.S. Department of Agriculture</i>			<u>35,939</u>	<u>-</u>
<u>U.S. Department of Health and Human Services</u>				
<i>Passed through the State of Rhode Island</i>				
<i>Aging Cluster:</i>				
Special Programs for the Aging Title III, Part D, Disease Prevention and Health Promotion Services	93.043	16AARIT3FC	120,740	-
<i>Passed through the State of Rhode Island</i>				
Special Programs for the Aging Title III Part B Grants for Supporting Services and Senior Centers	93.044	1901RIOAFC-00 1901R10ASS-02	667,331 11,665	- -
			<u>678,996</u>	<u>-</u>
<i>Passed through the State of Rhode Island</i>				
COVID-19 - National Family Caregiver Support, Title III, Part E	93.052	OHA/10/1 DOH 90LRI0026-01-02	40,000 79,893	- -
			<u>119,893</u>	<u>-</u>
<i>Passed through the State of Rhode Island</i>				
The Healthy Brain Initiative: Technical Assistance to Implement Public Health Actions related to Cognitive Health, Cognitive Impairment, and Caregiving at the State and Local Levels	93.334	NU58DP006913	12,898	-
<i>Passed through the State of Rhode Island</i>				
Alzheimer's Disease Program Initiative	93.470	90ADPI0005-01-00	2,631	-
<i>Passed through the State of Rhode Island</i>				
COVID-19 - Community Services Block Grant	93.569	TXX 17-06/18-06	125,152	-
<i>Passed through the State of Rhode Island</i>				
Social Service Block Grant	93.667	G-1701RISOSR	162,448	-
<i>Passed through the State of Rhode Island</i>				
Medicare Supplementary Medical Insurance	93.774	1J1CMS331642-01-00	209,250	-
<i>Passed through the State of Rhode Island</i>				
<i>Medicaid Cluster:</i>				
Medical Assistance Program	93.778	1408	<u>59,067</u>	<u>-</u>
<i>Total U.S. Department of Health and Human Services</i>			<u>1,491,075</u>	<u>-</u>
<b>Total Expenditures of Federal Awards</b>			<u><b>\$ 1,527,014</b></u>	<u><b>\$ -</b></u>

**UNITED WAY OF RHODE ISLAND, INC.**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2023**



**1. Basis of Presentation**

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

**2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Pass-through entity identifying numbers are presented where available.

For cost-reimbursement awards, revenues are recognized to the extent of expenditures. Expenditures have been recognized to the extent the related obligation was incurred within the applicable grant period and liquidated within 90 days after the end of the grant period.

**3. Indirect Cost Rate**

The Organization does not have a federally approved negotiated indirect cost rate agreement and, therefore, is subject to the 10-percent de minimis indirect cost rate under the Uniform Guidance.

**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**

To the Board of Directors of  
United Way of Rhode Island, Inc.:

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 Rhode Island, Inc. (a not-for-profit organization) (the Organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 11, 2023.

**Report on 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 Organization's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**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 (Continued)***

**Report on 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.

*Kahn, Litwin, Renga & Co, Ltd.*

December 11, 2023

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of  
United Way of Rhode Island, Inc.:

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited United Way of Rhode Island, Inc.'s (a not-for-profit organization) (the Organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Organization's major federal program for the year ended June 30, 2023. The Organization's major federal program is 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 its major federal program for the year ended June 30, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
THE UNIFORM GUIDANCE (*Continued*)**

***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 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error as fraud may involve collusion, forgery, intention, omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of 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.



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
THE UNIFORM GUIDANCE (Continued)**

**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 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.

December 11, 2023

*Kahn, Litwin, Renya & Co, Ltd.*

**UNITED WAY OF RHODE ISLAND, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2023**



**SECTION I - SUMMARY OF AUDITORS' RESULTS**

***Financial Statements:***

Type of auditors' report issued: *unmodified*

Internal control over financial reporting:

- Material weaknesses identified?        yes   X   no
- Significant deficiencies identified?        yes   X   none reported
- Noncompliance material to financial statements noted?        yes   X   no

***Federal Awards:***

Internal control over major programs:

- Material weaknesses identified?        yes   X   no
- Significant deficiencies identified?        yes   X   none reported

Type of auditors' report issued on compliance for major federal program:

*unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?

       yes   X   no

Major federal program:

*Assistance Listing Number*  
93.044

*Name of Federal Program*  
Special Program for the Aging Title III Part B Grants  
for Supportive Services and Senior Centers

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

\$ 750,000

Auditee qualified as low-risk auditee

  X   yes        no

**UNITED WAY OF RHODE ISLAND, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2023**



**SECTION II - FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.