



**United Way
of Central New York**

FINANCIAL STATEMENTS
June 30, 2021 and 2020

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THE UNITED WAY OF CENTRAL NEW YORK, INC.

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Dermody, Burke & Brown, CPAs, LLC

INDEPENDENT AUDITORS' REPORT

BOARD OF DIRECTORS THE UNITED WAY OF CENTRAL NEW YORK, INC.

Report on the Financial Statements

We have audited the accompanying financial statements of **THE UNITED WAY OF CENTRAL NEW YORK, INC.**, which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Opinion

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

Dermoddy, Burke & Brown

DERMODY, BURKE & BROWN, CPAs, LLC

Syracuse, NY

November 19, 2021

THE UNITED WAY OF CENTRAL NEW YORK, INC.

AUDITED FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION

June 30, 2021 and 2020

	ASSETS	
	2021	2020
Cash	\$ 69,162	\$ 68,529
Restricted Cash	930,406	878,434
Campaign Pledges Receivable, Less Allowance for Uncollectibles	1,961,930	2,241,550
Grants and Other Program Receivables	643,221	1,252,650
Prepaid Expenses and Other Assets	58,871	83,388
Investments	6,284,516	5,045,231
Beneficial Interest in Trust	166,068	134,728
Property and Equipment, Less Accumulated Depreciation and Amortization	<u>127,954</u>	<u>148,049</u>
TOTAL ASSETS	<u><u>\$ 10,242,128</u></u>	<u><u>\$ 9,852,559</u></u>
 LIABILITIES AND NET ASSETS 		
LIABILITIES		
Line-of-Credit	\$ 550,318	\$ 276,861
Accounts Payable and Accrued Expenses	426,971	759,507
Funds Held for Others	312,198	302,705
Donor Designations Payable	718,757	985,243
Undesignated Allocations Payable	1,361,078	1,372,553
Deferred Revenue	60,260	53,756
Refundable Advances	2,256	2,256
Paycheck Protection Program Loan	0	342,900
Note Payable to New York State	<u>86,375</u>	<u>86,375</u>
Total Liabilities	3,518,213	4,182,156
 NET ASSETS		
Without Donor Restrictions	1,159,490	817,252
With Donor Restrictions	<u>5,564,425</u>	<u>4,853,151</u>
Total Net Assets	<u>6,723,915</u>	<u>5,670,403</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 10,242,128</u></u>	<u><u>\$ 9,852,559</u></u>

See notes to financial statements.

STATEMENTS OF ACTIVITIES
Years Ended June 30, 2021 and 2020

	Net Assets	
	Without Donor Restrictions	
	2021	2020
PUBLIC SUPPORT AND OTHER REVENUE		
Recently Completed Community Campaign	\$ 0	\$ 0
Campaign In-Kind Donations	0	0
Less: Early Pledges Made in Prior Period	0	0
Non-United Way SEFA Designations	0	0
Donor Designations from United Way's Campaign	0	0
Provision for Uncollectible Pledges	0	0
Available to United Way of Central New York, Inc.	<u>0</u>	<u>0</u>
Excess in Anticipated Collection of Prior Years' Campaigns	324,148	51,499
Forever Fund Contributions, Net of Change in Charitable Gift Annuity	40,193	34,086
Service Fee Income	137,447	162,923
Grants and Other Non-Campaign Contributions	2,452,426	2,441,159
Investment Income	32,271	33,066
Paycheck Protection Program Loan Forgiveness	342,900	0
Miscellaneous Revenue	8,973	12,933
Net Assets Released from Restrictions	<u>4,513,239</u>	<u>4,476,949</u>
Total Public Support and Other Revenue	7,851,597	7,212,615
EXPENSES		
Functional Division Expenses:		
Community Impact	3,501,349	2,116,024
Early Childhood Alliance	1,276,505	630,411
Literacy Coalition of Onondaga County	461,733	505,938
Other Community Programs	1,410,626	1,800,696
Total Program Services	<u>6,650,213</u>	<u>5,053,069</u>
Resource Development and Marketing	964,098	824,780
Organizational Administration	<u>409,965</u>	<u>506,798</u>
Total Supporting Services	<u>1,374,063</u>	<u>1,331,578</u>
Total Functional Division Expenses	<u>8,024,276</u>	<u>6,384,647</u>
Change in Operating Net Assets	(172,679)	827,968
NON-OPERATING ACTIVITY		
Change in Beneficial Interest in Trust	0	0
Gain on Investments	<u>514,917</u>	<u>15,090</u>
Total Non-Operating Activity	<u>514,917</u>	<u>15,090</u>
Change in Total Net Assets	342,238	843,058
Net Assets (Deficit) , Beginning of Year	<u>817,252</u>	<u>(25,806)</u>
Net Assets, End of Year	<u>\$ 1,159,490</u>	<u>\$ 817,252</u>

THE UNITED WAY OF CENTRAL NEW YORK, INC.

Net Assets With Donor Restrictions		Total Net Assets	
2021	2020	2021	2020
\$ 5,027,899	\$ 5,189,117	\$ 5,027,899	\$ 5,189,117
42,820	68,182	42,820	68,182
0	(3,492)	0	(3,492)
(388,082)	(467,979)	(388,082)	(467,979)
(716,672)	(798,306)	(716,672)	(798,306)
(274,000)	(282,750)	(274,000)	(282,750)
<u>3,691,965</u>	<u>3,704,772</u>	<u>3,691,965</u>	<u>3,704,772</u>
0	0	324,148	51,499
0	0	40,193	34,086
0	0	137,447	162,923
509,751	1,759,965	2,962,177	4,201,124
41,034	49,010	73,305	82,076
0	0	342,900	0
0	0	8,973	12,933
(4,513,239)	(4,476,949)	0	0
<u>(270,489)</u>	<u>1,036,798</u>	<u>7,581,108</u>	<u>8,249,413</u>
0	0	3,501,349	2,116,024
0	0	1,276,505	630,411
0	0	461,733	505,938
<u>0</u>	<u>0</u>	<u>1,410,626</u>	<u>1,800,696</u>
0	0	6,650,213	5,053,069
0	0	964,098	824,780
<u>0</u>	<u>0</u>	<u>409,965</u>	<u>506,798</u>
0	0	1,374,063	1,331,578
<u>0</u>	<u>0</u>	<u>8,024,276</u>	<u>6,384,647</u>
(270,489)	1,036,798	(443,168)	1,864,766
31,340	(5,505)	31,340	(5,505)
<u>950,423</u>	<u>145,490</u>	<u>1,465,340</u>	<u>160,580</u>
<u>981,763</u>	<u>139,985</u>	<u>1,496,680</u>	<u>155,075</u>
711,274	1,176,783	1,053,512	2,019,841
<u>4,853,151</u>	<u>3,676,368</u>	<u>5,670,403</u>	<u>3,650,562</u>
<u>\$ 5,564,425</u>	<u>\$ 4,853,151</u>	<u>\$ 6,723,915</u>	<u>\$ 5,670,403</u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSESYear Ended June 30, 2021 with Comparative
Totals for Year Ended June 30, 2020

	Community Impact	Early Childhood Alliance	Literacy Coalition of Onondaga County	Other Community Programs
Salaries	\$ 365,836	\$ 419,344	\$ 52,542	\$ 395,908
Employee Benefits	43,530	41,874	2,031	63,488
Payroll Taxes	<u>27,929</u>	<u>32,357</u>	<u>4,259</u>	<u>30,614</u>
Total Salaries and Related Expenses	437,295	493,575	58,832	490,010
Professional Services	24,805	517,423	910	134,225
Supplies and Other Expenses	4,123	16,153	13,463	1,905
Printing and Artwork	253	120,487	2,938	2,358
Occupancy and Utilities	46,506	450	5,850	3,646
Small Equipment Purchases, Leases and Maintenance	28,962	28,226	1,132	9,950
Staff Training, Transportation and Meeting Expense	3,384	15,120	35	5,366
Subscriptions, Dues and Publications	3,789	5,596	39	90,959
Special Events	6,053	441	0	130
Interest Expense	0	0	0	0
Other Community Program Support	<u>0</u>	<u>79,034</u>	<u>378,534</u>	<u>672,077</u>
Expense Subtotal	555,170	1,276,505	461,733	1,410,626
Payments to Affiliates:				
United Way Worldwide Dues	28,937	0	0	0
United Way of New York State Dues	<u>4,522</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Payments to Affiliates	33,459	0	0	0
Depreciation and Amortization	<u>6,760</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Operations Expense	595,389	1,276,505	461,733	1,410,626
Allocations/Awards	<u>2,905,960</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Functional Division Expenses	<u>\$ 3,501,349</u>	<u>\$ 1,276,505</u>	<u>\$ 461,733</u>	<u>\$ 1,410,626</u>

THE UNITED WAY OF CENTRAL NEW YORK, INC.

Total Program Services	Resource Development and Marketing	Organizational Administration	Total Supporting Services	Total Expenses	
				2021	2020
\$ 1,233,630	\$ 524,205	\$ 191,250	\$ 715,455	\$ 1,949,085	\$ 1,702,730
150,923	74,709	37,689	112,398	263,321	241,380
95,159	40,293	13,572	53,865	149,024	146,340
<u>1,479,712</u>	<u>639,207</u>	<u>242,511</u>	<u>881,718</u>	<u>2,361,430</u>	<u>2,090,450</u>
677,363	34,875	82,461	117,336	794,699	671,837
35,644	11,501	4,809	16,310	51,954	59,006
126,036	87,993	725	88,718	214,754	140,165
56,452	64,445	29,261	93,706	150,158	159,482
68,270	30,475	10,901	41,376	109,646	78,076
23,905	3,980	1,234	5,214	29,119	36,159
100,383	23,678	5,508	29,186	129,569	160,657
6,624	13,960	21	13,981	20,605	102,504
0	0	7,200	7,200	7,200	3,332
<u>1,129,645</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,129,645</u>	<u>1,308,067</u>
3,704,034	910,114	384,631	1,294,745	4,998,779	4,809,735
28,937	38,838	18,227	57,065	86,002	57,460
4,522	6,070	2,848	8,918	13,440	14,456
<u>33,459</u>	<u>44,908</u>	<u>21,075</u>	<u>65,983</u>	<u>99,442</u>	<u>71,916</u>
6,760	9,076	4,259	13,335	20,095	20,590
<u>3,744,253</u>	<u>964,098</u>	<u>409,965</u>	<u>1,374,063</u>	<u>5,118,316</u>	<u>4,902,241</u>
2,905,960	0	0	0	2,905,960	1,482,406
<u>\$ 6,650,213</u>	<u>\$ 964,098</u>	<u>\$ 409,965</u>	<u>\$ 1,374,063</u>	<u>\$ 8,024,276</u>	<u>\$ 6,384,647</u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2020

	Community Impact	Early Childhood Alliance	Literacy Coalition of Onondaga County	Other Community Programs
Salaries	\$ 382,100	\$ 228,685	\$ 66,361	\$ 383,921
Employee Benefits	49,542	22,918	3,175	56,585
Payroll Taxes	<u>29,119</u>	<u>17,298</u>	<u>7,142</u>	<u>41,577</u>
Total Salaries and Related Expenses	460,761	268,901	76,678	482,083
Professional Services	30,920	285,805	2,611	201,038
Supplies and Other Expenses	3,415	7,014	18,006	10,072
Printing and Artwork	353	3,975	12,286	45,595
Occupancy and Utilities	53,063	1,983	5,618	8,479
Small Equipment Purchases, Leases and Maintenance	31,892	2,561	0	3,901
Staff Training, Transportation and Meeting Expense	5,604	6,154	171	12,614
Subscriptions, Dues and Publications	2,020	16,378	303	109,824
Special Events	10,295	25	8,929	37,974
Interest Expense	0	0	0	0
Other Community Program Support	<u>0</u>	<u>37,615</u>	<u>381,336</u>	<u>889,116</u>
Expense Subtotal	598,323	630,411	505,938	1,800,696
Payments to Affiliates:				
United Way Worldwide Dues	21,984	0	0	0
United Way of New York State Dues	<u>5,432</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Payments to Affiliates	27,416	0	0	0
Depreciation and Amortization	<u>7,879</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Operations Expense	633,618	630,411	505,938	1,800,696
Allocations/Awards	<u>1,482,406</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Functional Division Expenses	<u>\$ 2,116,024</u>	<u>\$ 630,411</u>	<u>\$ 505,938</u>	<u>\$ 1,800,696</u>

THE UNITED WAY OF CENTRAL NEW YORK, INC.

Total Program Services	Resource Development and Marketing	Organizational Administration	Total Supporting Services	Total Expenses
\$ 1,061,067	\$ 408,408	\$ 233,255	\$ 641,663	\$ 1,702,730
132,220	47,736	61,424	109,160	241,380
<u>95,136</u>	<u>32,368</u>	<u>18,836</u>	<u>51,204</u>	<u>146,340</u>
1,288,423	488,512	313,515	802,027	2,090,450
520,374	46,696	104,767	151,463	671,837
38,507	11,203	9,296	20,499	59,006
62,209	76,891	1,065	77,956	140,165
69,143	60,088	30,251	90,339	159,482
38,354	25,984	13,738	39,722	78,076
24,543	5,525	6,091	11,616	36,159
128,525	26,162	5,970	32,132	160,657
57,223	45,140	141	45,281	102,504
0	0	3,332	3,332	3,332
<u>1,308,067</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,308,067</u>
3,535,368	786,201	488,166	1,274,367	4,809,735
21,984	23,869	11,607	35,476	57,460
<u>5,432</u>	<u>6,156</u>	<u>2,868</u>	<u>9,024</u>	<u>14,456</u>
27,416	30,025	14,475	44,500	71,916
<u>7,879</u>	<u>8,554</u>	<u>4,157</u>	<u>12,711</u>	<u>20,590</u>
3,570,663	824,780	506,798	1,331,578	4,902,241
<u>1,482,406</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,482,406</u>
<u>\$ 5,053,069</u>	<u>\$ 824,780</u>	<u>\$ 506,798</u>	<u>\$ 1,331,578</u>	<u>\$ 6,384,647</u>

See notes to financial statements.

THE UNITED WAY OF CENTRAL NEW YORK, INC.

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Total Net Assets	\$ 1,053,512	\$ 2,019,841
Adjustments to Reconcile Change in Total Net Assets to Net Cash and Restricted Cash Used In Operating Activities:		
Depreciation and Amortization	20,095	20,590
Paycheck Protection Program Loan Forgiveness	(342,900)	0
Change in Beneficial Interest in Trust	(31,340)	5,505
Gain on Investments	(1,465,340)	(160,580)
Stock Contributions	(12,829)	(15,618)
Change in Allowance for Uncollectible Pledges	(28,594)	39,563
(Increase) Decrease in Operating Assets:		
Campaign Pledges Receivable	308,214	312,739
Grants and Other Program Receivables	609,429	(912,166)
Prepaid Expenses and Other Assets	24,517	(1,418)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable and Accrued Expenses	(332,536)	267,364
Funds Held for Others	9,493	108,002
Donor Designations Payable	(266,486)	(73,747)
Undesignated Allocations Payable	(11,475)	(1,452,469)
Deferred Revenue	6,504	7,610
Refundable Advances	0	(609,987)
Net Cash Used In Operating Activities	(459,736)	(444,771)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(2,073,153)	(3,004,424)
Proceeds from Sale of Investments	2,312,037	3,008,896
Purchase of Property and Equipment	0	(7,025)
Net Cash Provided By (Used In) Investing Activities	238,884	(2,553)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of Accounts Payable Used to Finance the Purchase of Property and Equipment	0	(19,011)
Proceeds from Paycheck Protection Program Loan	0	342,900
Net Activity on Line-of-Credit	273,457	249,160
Net Cash Provided By Financing Activities	273,457	573,049
Net Change in Cash and Restricted Cash	52,605	125,725
Cash and Restricted Cash, Beginning of Year	946,963	821,238
Cash and Restricted Cash, End of Year	\$ 999,568	\$ 946,963

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE 1 – NATURE OF OPERATIONS

The United Way of Central New York, Inc. (the Corporation) provides vital support to local human service programs, serves as fiscal agent for strategic community collaborations, and convenes community members to provide education and information about vital issues affecting people in Central New York. The Corporation conducts year-round fundraising efforts to support the programs, services, and agencies; working with companies and organizations to invite employees to donate directly and/or through payroll deductions. Community members volunteer in many capacities, including selection of the programs that receive funding.

Community Impact

By investing together, people in Onondaga County maximize their “buying power”. The Corporation’s local board of directors ensures that our community’s funds are utilized wisely and effectively. The Corporation monitors human needs in this community and provides funding for ongoing operating costs of local human service programs. The Corporation is one of the only funders, other than government, that provides consistent funding for ongoing operating costs.

Non-profit human service organizations that want to apply for funding first go through a fiscal and management review. If approved, the organization can then apply for program funding for services that address the areas of basic needs, education, or health.

After receiving the award, the Corporation monitors the organization and their funded programs to ensure that the funds are being spent as outlined and targeted outcomes achieved are consistent with the funding awards.

Early Childhood Alliance

This community-based collaboration is working to develop and implement strategies that will help every child under five in Onondaga County establish basic skills and knowledge so that they will be ready to succeed in both school and life.

Literacy Coalition of Onondaga County

This initiative promotes literacy to Onondaga County residents of all ages.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE 1 – NATURE OF OPERATIONS – Continued

Other Community Programs

At the same time, the Corporation looks at our community's most pressing issues and works with diverse stakeholders to develop strategies and implement initiatives that offer solutions. The Corporation currently partners in strategic community initiatives by serving as the coordinating entity for:

- **Greater Syracuse H.O.P.E. (Healing, Opportunity, Prosperity, Empowerment)** – This collaborative effort includes diverse stakeholders seeking new ways to address poverty.
- **Housing and Homeless Coalition** – This continuum of care for Onondaga, Oswego, and Cayuga counties is working to reduce and prevent homelessness in these areas.
- **2-1-1** – This program covers a five-county region and offers a 24-hour hotline and website that connects people with the services they need.
- **CASH Coalition** – This program offers free tax preparation assistance so working people can access their EITC and Child Care tax credits.
- **Gifts in Kind** – This programs collects new and gently used items and then distributes them to local non-profit organizations.
- **Work Train** – This program creates innovative workforce efforts around healthcare, manufacturing, construction, coding, and other industries that bring together employers with positions to fill and people who are un- or under-employed; addressing systemic issues that have prevented some people from accessing opportunities. Supporting the broader Syracuse Build and Pathways to Apprenticeship programs.
- **Syracuse Financial Empowerment Center** – The Corporation serves as the non-profit partner in this proven program created through the Cities for Financial Empowerment, providing intensive one-on-one financial counseling to individuals that reduces debt, establishes savings, and improves credit score.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Corporation's financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Financial Statement Presentation

The financial statements of the Corporation have been prepared in accordance with U.S. generally accepted accounting principles, which require the Corporation to report information regarding its financial position and activities according to the following net asset classifications:

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 Corporation. These net assets may be used at the discretion of the Corporation's management and the board of directors. The board of directors has established several designated funds as components of net assets without donor restrictions. See Note 11.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Corporation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. See Note 11.

Cash and Cash Equivalents

Cash and cash equivalents include bank demand deposit accounts, money market accounts and all highly liquid investments purchased with maturities of three months or less. There were no cash equivalents as of June 30, 2021 and 2020. The following table provides a reconciliation of cash and restricted cash reported within the statements of financial position that sum to the total in the statements of cash flows as of June 30:

	2021	2020
Cash	\$ 69,162	\$ 68,529
Restricted Cash	<u>930,406</u>	<u>878,434</u>
Total	<u>\$ 999,568</u>	<u>\$ 946,963</u>

The Corporation maintains its cash in bank accounts, which at times, may exceed federally insured limits. The Corporation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk with respect to cash and cash equivalents.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Restricted Cash

Restricted cash is comprised of funds held for others or deposited with the Corporation that are restricted by donors and funders for future programing needs.

Campaign Pledges Receivable

The Corporation records campaign pledges receivable and a related provision for uncollectibles for those pledges in the year that the pledges are solicited. The provision for uncollectible pledges is computed based upon management estimates of current economic factors applied to individual campaigns, including donor designations. Campaign pledges receivable are expected to be collected within the next year.

Investments and Investment Income

Investments are carried at fair value. Fair value is determined principally on the basis of quoted market prices. Investment income or loss (including realized and unrealized gain and losses on investments, interest and dividends) is included in the net change in net assets. Investment management fees are netted against investment income.

Property and Equipment

Property and equipment are recorded at cost at the date of acquisition or their fair market value at the date of donation in the case of gifts. It was the Corporation's policy to capitalize expenditures for these items in excess of \$1,500. Effective on July 1, 2020, this amount was increased to \$2,500. Lesser amounts are expensed. Depreciation and amortization are recorded on the straight-line method over the estimated economic useful life of the respective asset.

When property and equipment are retired or otherwise disposed of, the related costs and accumulated depreciation and amortization are removed from the accounts and any gain or loss is recorded in the statements of activities.

Expenditures for repairs and maintenance not considered to substantially lengthen property life are charged to expense as incurred. Depreciation and amortization charged to expense was \$20,095 and \$20,590 for the years ended June 30, 2021 and 2020, respectively.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Property and Equipment – Continued

Property and equipment consists of the following as of June 30:

	2021	2020
Leasehold Improvements	\$ 38,630	\$ 38,630
Furniture and Equipment	289,194	289,194
	327,824	327,824
Less: Accumulated Depreciation and Amortization	199,870	179,775
	\$ 127,954	\$ 148,049

Impairment of Long-Lived Assets

The Corporation reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recovered. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. The Corporation has determined that no impairment existed as of June 30, 2021 and 2020.

Funds Held for Others

The Corporation has been designated as a fiscal conduit for programs within the community. These activities are accounted for in the statements of financial position as both assets and offsetting liabilities and do not affect the Corporation's statements of activities.

Donor Designations Payable

The Corporation holds funds for various agencies and organizations. This includes funds earmarked by donors for the use of designated agencies and organizations. These agency transaction activities are accounted for in the statements of financial position as both assets and offsetting liabilities and do not affect the Corporation's statements of activities.

Deferred Revenue

Deferred revenue represents advance payment of service fee income whose performance obligations were not satisfied prior to year-end.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Refundable Advances

Assets received from conditional government support and contributions are accounted as a refundable advance until the conditions have been substantially met.

Contributions

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received, which is then treated as cost. The gifts are reported as with donor restriction if they are received with donor stipulations that limit the use of the donated assets.

Contributions are considered available for general use unless specifically restricted by the donor and are recorded when received. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met within the same year as received are reflected as without donor restriction contributions in the accompanying financial statements.

Donations In-Kind

The Corporation received donated professional services, advertising, and other related items in the amount of \$42,820 and \$68,182, which is included in the applicable expense accounts for the years ended June 30, 2021 and 2020, respectively. These donations in-kind have been recorded in the statements as both revenue and expense. No amounts have been reflected in the statements for donated volunteer services, as they do not meet the requirements for recognition; however, a substantial number of volunteers have donated significant amounts of their time to campaign and program services.

Functional Allocation of Expenses

The costs of providing various programs and activities have been summarized on a functional basis in the statements of activities and statements of functional expenses. Organizational administration expenses are allocated to the various programs in the form of internal charges based on space occupied, time expended, budgeted allowable share of overhead, etc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Allocations/Awards

In the Fall of 2019, the Board of Directors decided to change the timing of the funding cycle to a calendar year cycle. During this transition, the Board extended funding to current programs that were being funded, through December 31, 2020. A new cycle for the Community Program Fund began on January 1, 2021. As a result of the transition to the new start date, the board designated \$1,600,000 towards the new funding cycle as of June 30, 2020. See Note 11.

Income Taxes

The Corporation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, and under similar provisions of New York State law, no provisions have been made for federal or state taxes.

Management is unaware of any unrelated business activities that may be subjected to unrelated business income tax or any activities that would jeopardize the Corporation's exempt status.

Use of Estimates

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

Reclassifications

Certain 2020 amounts have been reclassified to conform to the 2021 presentation. These reclassifications had no impact on the total assets, liabilities, net assets or change in net assets.

Subsequent Events

Management has evaluated subsequent events through November 19, 2021, which is the date the financial statements were available to be issued.

THE UNITED WAY OF CENTRAL NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Corporation's financial assets, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of donor restrictions, consist of the following as of June 30:

	2021	2020
Financial Assets:		
Cash	\$ 69,162	\$ 68,529
Campaign Pledges Receivable, Net	1,961,930	2,241,550
Grants and Other Program Receivables	643,221	1,252,650
Investments	<u>6,284,516</u>	<u>5,045,231</u>
 Total Financial Assets	 8,958,829	 8,607,960
Financial Assets Not Available Within One Year:		
Campaign Pledges Receivable - Long-Term	0	(13,330)
Restricted Investments	(208,112)	(214,427)
Board Designated Net Assets	(448,546)	(2,024,297)
Net Assets With Donor Restrictions	<u>(5,564,425)</u>	<u>(4,853,151)</u>
 Financial Assets Not Available Within One Year	 <u>(6,221,083)</u>	 <u>(7,105,205)</u>
 Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	 <u>\$ 2,737,746</u>	 <u>\$ 1,502,755</u>

Board designated net assets are not generally available for operations. If the board chooses, these designated net assets can be undesignated and become available for general operations. Net assets with donor restrictions can only be used in accordance with donor restrictions and are generally not available for operations. In addition to the financial assets above, the Corporation can utilize its line-of-credit to fund any short-term funding needs. See Note 7.

THE UNITED WAY OF CENTRAL NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE 4 – CAMPAIGN PLEDGES RECEIVABLE

Pledges receivable at June 30 were as follows:

	2021		
	Pledges Receivable	Estimated Provisions for Uncollectibles	Net
Welcome Us Home Campaign	\$ 13,330	\$ 0	\$ 13,330
Fall 2021 Campaign	22,000	0	22,000
Fall 2020 Campaign	2,200,600	274,000	1,926,600
Fall 2019 Campaign	19,918	19,918	0
	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 2,255,848</u>	<u>\$ 293,918</u>	<u>\$ 1,961,930</u>
	2020		
	Pledges Receivable	Estimated Provisions for Uncollectibles	Net
Welcome Us Home Campaign	\$ 35,160	\$ 0	\$ 35,160
Fall 2019 Campaign	2,478,867	282,750	2,196,117
Fall 2018 Campaign	50,035	39,762	10,273
	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 2,564,062</u>	<u>\$ 322,512</u>	<u>\$ 2,241,550</u>

Net pledges receivable balances for all campaign years have been analyzed and adjusted by management to an amount estimated to be collectible as of June 30, 2021 and 2020.

Campaign pledges receivable are due as follows:

	2021	2020
Due Within One Year	\$ 2,255,848	\$ 2,550,732
Due Within Two to Five Years	<u>0</u>	<u>13,330</u>
	<u> </u>	<u> </u>
Total	<u>\$ 2,255,848</u>	<u>\$ 2,564,062</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE 5 – GRANTS AND NON-CAMPAIGN CONTRIBUTIONS

Grants and other program receivables consists mainly of amounts due from government agencies as a result of providing services to the community and local foundations to support these services. Payments were not received by the Corporation at year-end. Grants and other program receivables are all due within one year. The management of the Corporation reviews the collectability of the accounts receivable on a monthly basis, and has determined that no reserve for doubtful accounts needs to be established.

The Corporation has \$2,108,303 and \$2,701,776 remaining on executed conditional federal, state, and foundation grants as of June 30, 2021 and 2020, respectively. These balances are not recognized as assets and revenue and are expected to be recognized as revenue in future years as the conditions of the agreements are met.

Significant program budget cuts by funding sources could have a potential impact on the funding of program services.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE 6 – INVESTMENTS

Guidance provided by the FASB defines fair value as 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. When measuring fair value, a fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. 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 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- 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. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

Cash and Cash Equivalents – Valued at carrying cost, which approximates fair value (Level 1 inputs).

United States Treasury Notes, Preferred Stocks, Equity Securities, and Other Investments – Valued at the closing price reported in the active market in which the individual investment is traded (Level 1 inputs).

Mutual Funds – Valued at quoted net asset values of the shares held on the last business day of the fiscal year (Level 1 inputs).

Corporate Obligations, Mortgage Backed Securities, and Structured Notes – Valued using pricing models, quoted prices of securities with similar characteristics or discounted cash flows (Level 2 inputs).

THE UNITED WAY OF CENTRAL NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE 6 – INVESTMENTS – Continued

Beneficial Interest in Trust

Beneficial interest in trust was determined to be a Level 3 asset, as the Corporation does not have any control over the trust, the investments within the trust, or the timing and amount of distributions from the trust. The trust's fair value below was calculated using the Corporation's one-third interest in the assets held in the trust. The change in value of the beneficial interest of the trust as recorded in the statement of activities is calculated using the Corporation's interest in the change in the value of all the assets within the trust after distributions to the beneficiaries.

Assets measured at fair value on a recurring basis and cost as of June 30 are summarized below, by input level:

June 30, 2021

	Level 1	Level 2	Level 3	Total
Investments:				
Cash and Cash Equivalents	\$ 403,862	\$ 0	\$ 0	\$ 403,862
Corporate Obligations	0	281,492	0	281,492
United States Treasury Notes	321,788	0	0	321,788
Mortgage Backed Securities	0	118,460	0	118,460
Mutual Funds - Equity	1,584,820	0	0	1,584,820
Preferred Stocks	18,960	0	0	18,960
Equity Securities	3,504,164	0	0	3,504,164
Other Investments	50,970	0	0	50,970
	<u>\$ 5,884,564</u>	<u>\$ 399,952</u>	<u>\$ 0</u>	<u>\$ 6,284,516</u>
Beneficial Interest in Trust	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 166,068</u>	<u>\$ 166,068</u>

THE UNITED WAY OF CENTRAL NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE 6 – INVESTMENTS – Continued

Beneficial Interest in Trust – Continued

Assets measured at fair value on a recurring basis and cost as of June 30 are summarized below, by input level:

	June 30, 2020			
	Level 1	Level 2	Level 3	Total
Investments:				
Cash and Cash Equivalents	\$ 320,250	\$ 0	\$ 0	\$ 320,250
Corporate Obligations	0	326,533	0	326,533
United States Treasury Notes	398,018	0	0	398,018
Mortgage Backed Securities	0	212,357	0	212,357
Mutual Funds - Equity	1,327,302	0	0	1,327,302
Preferred Stocks	40,677	0	0	40,677
Structured Notes	0	148,920	0	148,920
Equity Securities	<u>2,271,174</u>	<u>0</u>	<u>0</u>	<u>2,271,174</u>
 Total Investments	 <u>\$ 4,357,421</u>	 <u>\$ 687,810</u>	 <u>\$ 0</u>	 <u>\$ 5,045,231</u>
 Beneficial Interest in Trust	 <u>\$ 0</u>	 <u>\$ 0</u>	 <u>\$ 134,728</u>	 <u>\$ 134,728</u>

The table below sets forth as summary of changes in the fair value for the Corporation's Level 3 assets for the year ended June 30:

	2021	2020
Beneficial Interest in Trust:		
Balance, Beginning of Year	\$ 134,728	\$ 140,233
Interest Income	3,170	6,616
Investment Gain (Loss) Earned by Trustee	31,340	(5,505)
Distributions to the Organization	<u>(3,170)</u>	<u>(6,616)</u>
 Balance, End of Year	 <u>\$ 166,068</u>	 <u>\$ 134,728</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE 7 – LINE-OF-CREDIT

The Corporation has a \$1,500,000 promissory note for a line-of-credit with a local bank, at a variable interest rate based on the bank's prime lending rate as published in the *Wall Street Journal* less 1.5%. The bank's prime lending rate was 3.25% for both years ended June 30, 2021 and 2020. The demand promissory note is secured by all of the Corporation's assets. The outstanding balance was \$550,318 and \$276,861 as of June 30, 2021 and 2020, respectively.

Interest paid on the line-of-credit was \$7,200 and \$3,332 for the years ended June 30, 2021 and 2020, respectively.

NOTE 8 – PAYCHECK PROTECTION PROGRAM

On April 13, 2020, the Corporation was granted a \$342,900 loan under the Paycheck Protection Program (PPP) administered by the Small Business Administration (SBA) approved partner. The loan was collateralized and was fully guaranteed by the Federal government.

The Corporation initially recorded the amount as a loan and recorded forgiveness when the loan obligation was legally released. In June 2021, the Corporation received notice of forgiveness from the SBA. At that time, the Corporation recognized \$342,900 of loan forgiveness.

NOTE 9 – NOTE PAYABLE TO NEW YORK STATE

A revolving loan fund was established through a \$125,000 contract with the New York State Office of Children and Family Services. The contract operates through February 28, 2025 at which time the remaining balance will be paid to New York State in a lump sum, inclusive of any excess interest earned on these funds that had not been offset by loan administration costs, at the termination of the agreement. In accordance with the terms established in this revolving loan fund agreement, New York State bears the risk of loss from loan defaults as long as the Corporation adheres to the terms of the agreement. Loans totaling \$38,625 were deemed to be uncollectible in previous years, leaving a remaining balance of \$86,375 as of both June 30, 2021 and 2020.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE 10 – ENDOWMENT

The Corporation has one donor designated endowment fund (Weisberg Fund) to support the general operations of the Corporation.

The Board of Directors has interpreted the relevant state laws under the New York Uniform Prudent Management of Institutional Funds Act (NYUPMIFA) and the New York Not-for-Profit Corporation Law Management of Institutional Funds Act as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. There were no such donor stipulations as of June 30, 2021 and 2020. As a result of this interpretation, the Corporation retains in perpetuity (a) the original value of initial and subsequent gift amounts and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Board of Directors in a manner consistent with the standard of prudence prescribed by NYUPMIFA.

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

1. The duration and preservation of the funds.
2. The purposes of the Corporation and the donor-restricted endowment funds.
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 Corporation.
7. The investment policies of the Corporation.

Funds with Deficiencies

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Corporation has interpreted NYUPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There was no deficiency reported in the net assets without donor restrictions as of June 30, 2021 and 2020.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE 10 – ENDOWMENT – Continued

Investment and Spending Policy

The Corporation’s Board of Directors has adopted an investment policy to set the investment philosophy of the Corporation. The Corporation’s overall investment objective is a “balanced return” which is defined as moderate income with capital appreciation. It is the expectation that a real rate of return in excess of inflation after providing for expenses, fees and charitable disbursements will be achieved. Quarterly investment reports will include industry benchmarks for comparative purposes, with returns being shown net of fees.

To satisfy its long-term rate-of-return objectives, the Corporation will rely on a total return strategy which includes interest, dividends and capital appreciation. The Corporation plans on targeting a conservative asset allocation to achieve its long-term return objectives within prudent risk constraints.

Starting in fiscal year 2020, the Corporation has a policy of appropriating the lesser of 4.5% of the twenty quarter rolling average or 4.5% of the fair market value as of March 31st. Amounts are withdrawn from the account on a monthly basis.

The following schedule represents the endowment net assets composition by type of fund as of June 30:

	2021	2020
Original Donor Restricted Gift	\$ 61,240	\$ 61,240
Accumulated Unspent Earnings	<u>35,227</u>	<u>13,580</u>
Total Endowment Fund	<u><u>\$ 96,467</u></u>	<u><u>\$ 74,820</u></u>

Changes in endowment net assets were as follows for the year ended June 30:

	2021	2020
Endowment Net Assets, Beginning of Year	\$ 74,820	\$ 77,410
Investment Income, Net	1,412	1,273
Investment Gain (Loss)	23,463	(695)
Appropriations	<u>(3,228)</u>	<u>(3,168)</u>
Endowment Net Assets, End of Year	<u><u>\$ 96,467</u></u>	<u><u>\$ 74,820</u></u>

THE UNITED WAY OF CENTRAL NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE 11 – NET ASSETS

Net assets without donor restriction consists of the following:

	2021	2020
Board Designated:		
Future Allocations/Awards	\$ 0	\$ 1,600,000
Forever Fund - Operating	154,398	147,004
Undesignated Planned Gifts	161,194	109,244
Property and Equipment	127,954	148,049
Emerging Needs	<u>5,000</u>	<u>20,000</u>
Total Board Designated Net Assets	448,546	2,024,297
Undesignated Net Assets (Deficit)	<u>710,944</u>	<u>(1,207,045)</u>
Total Net Assets Without Donor Restrictions	<u>\$ 1,159,490</u>	<u>\$ 817,252</u>

A description of board designated net assets is as follows:

- ***Future Allocations/Awards*** – This fund represents dollars earmarked for subsequent allocations/awards due to the change in the new starting date of the next funding cycle.
- ***Forever Fund – Operating*** – This fund includes dollars from the Forever Fund that have been released from restriction and are earmarked for the subsequent fiscal year operations.
- ***Undesignated Planned Gifts*** – This fund represents wills and bequest proceeds the Corporation has received that were not restricted by donors.
- ***Property and Equipment*** – This fund is the net book value of property and equipment owned by the Corporation.
- ***Emerging Needs*** – This fund was established so that the Corporation can be nimble in responding to new trends, needs, or opportunities that arise in the community.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE 11 – NET ASSETS – Continued

Net assets with donor restriction consists of the following:

	2021	2020
Undesignated Future Campaign	\$ 28,000	\$ 0
Early Childhood Alliance	610,033	800,749
Literacy Coalition of Onondaga County	297,483	292,437
211 Central New York Fund	52,862	60,747
Other	18,717	8,521
Forever Fund	4,294,795	3,481,149
Beneficial Interest in Trust	166,068	134,728
Weisberg Fund	96,467	74,820
 Total Net Assets With Donor Restrictions	 \$ 5,564,425	 \$ 4,853,151

Net assets with donor restrictions consist of the following:

- ***Undesignated Future Campaign*** – This fund represents funds received for future campaigns.
- ***Early Childhood Alliance, Literacy Coalition of Onondaga County, 211 Central New York Fund, and Other*** – These funds consist of donor restricted donations to support the programs of their respective initiatives.
- ***Forever Fund*** – This fund has been restricted by donors to provide a continual influx of funds to support the operations of the Corporation.
- ***Beneficial Interest in Trust*** – A donor established a perpetual trust and named the Corporation as a one-third beneficiary. Proceeds from the trust do not have restrictions.
- ***Weisberg Fund*** – This fund was restricted by a donor to be held in perpetuity. Earnings from this are limited to the general operations of the Corporation. See Note 10.

THE UNITED WAY OF CENTRAL NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE 11 – NET ASSETS – Continued

Net assets were released from donor restrictions by the passage of time, incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by the donors. Net assets released from restriction as of June 30 consist of the following:

	2021	2020
Time Restrictions:		
Net Campaign Contributions Received in Prior Period	\$ 3,663,965	\$ 3,708,264
Forever Fund	152,936	133,785
Weisberg Fund	3,228	3,168
Purpose Restrictions:		
Early Childhood Alliance	530,343	277,298
Literacy Coalition of Onondaga County	48,139	149,356
211 Central New York Fund	109,137	196,697
Welcome Us Home Campaign	0	5,000
Other	5,491	3,381
Total	<u>\$ 4,513,239</u>	<u>\$ 4,476,949</u>

NOTE 12 – RETIREMENT BENEFITS

The Corporation has a 401(k) profit sharing pension plan, which covers all employees who have met the age and service requirements. The Corporation contributed an amount equal to 3.5% of participants' compensation for the years ended June 30, 2021 and 2020. Retirement expense was \$43,148 and \$35,120 for the years ended June 30, 2021 and 2020, respectively.

THE UNITED WAY OF CENTRAL NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE 13 – COMMITMENTS

In August 2018, the Corporation entered into a ten and one-half year lease for office and storage space. The lease commenced on May 1, 2019. The first six months of the lease did not require any rent payments. Monthly payments of \$10,004 began in the seventh month of the lease. In March 2020, the lease was amended to include additional office space. The new lease agreement requires monthly payments of \$10,808 through November 2029. In July 2021, the Corporation entered into a five-year lease for office and storage space. The lease commenced on July 12, 2021. Monthly payments of \$1,000 began in the first month of the lease. Beginning in the second year of the lease and each year thereafter, the monthly lease payment will increase by 3%. Rent expense was \$123,833 and \$126,414 for the years ended June 30, 2021 and 2020, respectively. Minimum future rental payments under non-cancellable operating leases as of June 30, 2021 are:

2022	\$ 140,691
2023	142,021
2024	142,391
2025	142,772
2026	143,164
Thereafter	<u>444,235</u>
Total	<u>\$ 1,155,274</u>

NOTE 14 – COVID-19 PANDEMIC

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (“COVID-19”) as a pandemic, which continues to spread throughout the United States. The ultimate extent of the impact of any pandemic or other health crisis on the Corporation’s operations will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge. The related financial impact and duration cannot be reasonably quantified at this time.