



**United Way
of Central New York**

FINANCIAL STATEMENTS
June 30, 2022 and 2021

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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.

Opinion

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, 2022 and 2021, 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 The United Way of Central New York, Inc. as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The United Way of Central New York, Inc. 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 United Way of Central New York, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, including omissions, 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, 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 United Way of Central New York, Inc.'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 United Way of Central New York, Inc.'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.

Dermody, Burke & Brown

DERMODY, BURKE & BROWN, CPAs, LLC

Syracuse, NY

November 18, 2022

THE UNITED WAY OF CENTRAL NEW YORK, INC.

AUDITED FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION

June 30, 2022 and 2021

ASSETS

	2022	2021
Cash	\$ 65,142	\$ 69,162
Restricted Cash	1,315,284	930,406
Campaign Pledges Receivable, Less Allowance for Uncollectible Pledges	1,927,457	1,961,930
Grants and Other Program Receivables	365,004	643,221
Prepaid Expenses and Other Assets	28,368	58,871
Investments	5,445,903	6,284,516
Beneficial Interest in Trust	148,268	166,068
Property and Equipment, Less Accumulated Depreciation and Amortization	<u>125,529</u>	<u>127,954</u>
TOTAL ASSETS	<u><u>\$ 9,420,955</u></u>	<u><u>\$ 10,242,128</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Line-of-Credit	\$ 870,516	\$ 550,318
Accounts Payable and Accrued Expenses	617,981	426,971
Funds Held for Others	383,371	312,198
Donor Designations Payable	697,915	718,757
Undesignated Allocations Payable	1,467,537	1,361,078
Deferred Revenue	69,564	60,260
Refundable Advances	30,000	2,256
Note Payable to New York State	<u>86,375</u>	<u>86,375</u>

Total Liabilities	4,223,259	3,518,213
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NET ASSETS

Without Donor Restrictions	(260,889)	1,159,490
With Donor Restrictions	<u>5,458,585</u>	<u>5,564,425</u>

Total Net Assets	<u>5,197,696</u>	<u>6,723,915</u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 9,420,955</u></u>	<u><u>\$ 10,242,128</u></u>
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See notes to financial statements.

STATEMENTS OF ACTIVITIES

Years Ended June 30, 2022 and 2021

	Net Assets Without Donor Restrictions	
	2022	2021
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	328,286	324,148
Forever Fund Contributions, Net of Change in Charitable Gift Annuity	0	40,193
Service Fee Income	196,830	137,447
Grants and Other Non-Campaign Contributions	2,919,699	2,452,426
Investment Income	37,433	32,271
Paycheck Protection Program Loan Forgiveness	0	342,900
Miscellaneous Revenue	18,263	8,973
Net Assets Released from Restrictions	<u>4,477,806</u>	<u>4,513,239</u>
Total Public Support and Other Revenue	<u>7,978,317</u>	<u>7,851,597</u>
EXPENSES		
Functional Division Expenses:		
Community Impact	4,039,734	3,501,549
Early Childhood Alliance	1,341,183	1,276,505
Literacy Coalition of Onondaga County	461,125	461,733
Other Community Programs	<u>1,953,625</u>	<u>1,410,626</u>
Total Program Services	<u>7,795,667</u>	<u>6,650,413</u>
Resource Development and Marketing	1,033,698	963,898
Organizational Administration	<u>452,497</u>	<u>409,965</u>
Total Supporting Services	<u>1,486,195</u>	<u>1,373,863</u>
Total Functional Division Expenses	<u>9,281,862</u>	<u>8,024,276</u>
Change in Operating Net Assets	(1,303,545)	(172,679)
NON-OPERATING ACTIVITY		
Change in Beneficial Interest in Trust	0	0
Gain (Loss) on Investments	<u>(116,834)</u>	<u>514,917</u>
Total Non-Operating Activity	<u>(116,834)</u>	<u>514,917</u>
Change in Total Net Assets	(1,420,379)	342,238
Net Assets, Beginning of Year	<u>1,159,490</u>	<u>817,252</u>
Net Assets (Deficit), End of Year	<u>\$ (260,889)</u>	<u>\$ 1,159,490</u>

THE UNITED WAY OF CENTRAL NEW YORK, INC.

Net Assets With Donor Restrictions		Total Net Assets	
2022	2021	2022	2021
\$ 4,393,744	\$ 5,027,899	\$ 4,393,744	\$ 5,027,899
190,855	42,820	190,855	42,820
(22,000)	0	(22,000)	0
(376,768)	(388,082)	(376,768)	(388,082)
(674,126)	(716,672)	(674,126)	(716,672)
(227,000)	(274,000)	(227,000)	(274,000)
<u>3,284,705</u>	<u>3,691,965</u>	<u>3,284,705</u>	<u>3,691,965</u>
0	0	328,286	324,148
(3,134)	0	(3,134)	40,193
0	0	196,830	137,447
1,637,048	509,751	4,556,747	2,962,177
45,669	41,034	83,102	73,305
0	0	0	342,900
0	0	18,263	8,973
(4,477,806)	(4,513,239)	0	0
<u>486,482</u>	<u>(270,489)</u>	<u>8,464,799</u>	<u>7,581,108</u>
0	0	4,039,734	3,501,549
0	0	1,341,183	1,276,505
0	0	461,125	461,733
0	0	1,953,625	1,410,626
<u>0</u>	<u>0</u>	<u>7,795,667</u>	<u>6,650,413</u>
0	0	1,033,698	963,898
<u>0</u>	<u>0</u>	<u>452,497</u>	<u>409,965</u>
<u>0</u>	<u>0</u>	<u>1,486,195</u>	<u>1,373,863</u>
<u>0</u>	<u>0</u>	<u>9,281,862</u>	<u>8,024,276</u>
486,482	(270,489)	(817,063)	(443,168)
(17,800)	31,340	(17,800)	31,340
(574,522)	950,423	(691,356)	1,465,340
<u>(592,322)</u>	<u>981,763</u>	<u>(709,156)</u>	<u>1,496,680</u>
(105,840)	711,274	(1,526,219)	1,053,512
<u>5,564,425</u>	<u>4,853,151</u>	<u>6,723,915</u>	<u>5,670,403</u>
<u>\$ 5,458,585</u>	<u>\$ 5,564,425</u>	<u>\$ 5,197,696</u>	<u>\$ 6,723,915</u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSESYear Ended June 30, 2022 with Comparative
Totals for Year Ended June 30, 2021

	Community Impact	Early Childhood Alliance	Literacy Coalition of Onondaga County	Other Community Programs
Salaries	\$ 406,648	\$ 533,404	\$ 64,090	\$ 397,634
Employee Benefits	49,834	78,924	2,752	71,809
Payroll Taxes	31,160	40,337	4,628	30,876
Total Salaries and Related Expenses	487,642	652,665	71,470	500,319
Professional Services (Including In-Kind of \$23,866 and \$30,820 in 2022 and 2021, Respectively)	19,412	341,354	489	422,157
Operating Expenses	4,983	2,805	13,160	1,372
Marketing and Advertising (Including In-Kind of \$9,079 and \$-0- in 2022 and 2021, Respectively)	326	131,435	3,213	9,513
Occupancy	48,202	11,889	2,557	10,932
Small Equipment Purchases, Leases and Maintenance (Including In-Kind of \$1,125 and \$-0- in 2022 and 2021, Respectively)	28,753	22,491	1,080	6,139
Staff Development and Reimbursements	4,563	26,636	0	7,259
Subscriptions, Dues and Publications	4,711	7,079	81	98,726
Special Events and Donor Relations Expense (Including In-Kind of \$9,883 and \$12,000 in 2022 and 2021, Respectively)	6,115	16,865	0	50
Interest Expense	0	0	0	0
Other Community Program Support (Including In-Kind of \$146,902 and \$-0- in 2022 and 2021, Respectively)	163,633	126,989	369,075	897,158
Expense Subtotal	768,340	1,340,208	461,125	1,953,625
Payments to Affiliates:				
United Way Worldwide Dues	34,776	0	0	0
United Way of New York State Dues	4,145	0	0	0
Total Payments to Affiliates	38,921	0	0	0
Depreciation and Amortization	6,576	975	0	0
Total Operations Expense	813,837	1,341,183	461,125	1,953,625
Allocations/Awards	3,225,897	0	0	0
Total Functional Division Expenses	\$ 4,039,734	\$ 1,341,183	\$ 461,125	\$ 1,953,625

THE UNITED WAY OF CENTRAL NEW YORK, INC.

Total Program Services	Resource Development and Marketing	Organizational Administration	Total Supporting Services	Total Expenses	
				2022	2021
\$ 1,401,776	\$ 485,011	\$ 220,367	\$ 705,378	\$ 2,107,154	\$ 1,949,085
203,319	76,679	44,099	120,778	324,097	263,321
107,001	32,611	16,626	49,237	156,238	149,024
<u>1,712,096</u>	<u>594,301</u>	<u>281,092</u>	<u>875,393</u>	<u>2,587,489</u>	<u>2,361,430</u>
783,412	83,880	76,456	160,336	943,748	794,009
22,320	11,779	4,137	15,916	38,236	32,797
144,487	110,857	77	110,934	255,421	214,754
73,580	71,916	29,680	101,596	175,176	150,158
58,463	28,874	10,485	39,359	97,822	109,646
38,458	6,921	2,211	9,132	47,590	43,953
110,597	28,184	3,682	31,866	142,463	129,569
23,030	34,861	32	34,893	57,923	18,394
0	0	16,383	16,383	16,383	7,200
<u>1,556,855</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,556,855</u>	<u>1,136,869</u>
4,523,298	971,573	424,235	1,395,808	5,919,106	4,998,779
34,776	47,635	21,544	69,179	103,955	86,002
4,145	5,664	2,574	8,238	12,383	13,440
<u>38,921</u>	<u>53,299</u>	<u>24,118</u>	<u>77,417</u>	<u>116,338</u>	<u>99,442</u>
<u>7,551</u>	<u>8,826</u>	<u>4,144</u>	<u>12,970</u>	<u>20,521</u>	<u>20,095</u>
4,569,770	1,033,698	452,497	1,486,195	6,055,965	5,118,316
3,225,897	0	0	0	3,225,897	2,905,960
<u>\$ 7,795,667</u>	<u>\$ 1,033,698</u>	<u>\$ 452,497</u>	<u>\$ 1,486,195</u>	<u>\$ 9,281,862</u>	<u>\$ 8,024,276</u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2021

	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	27,929	32,357	4,259	30,614
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Total Salaries and Related Expenses	437,295	493,575	58,832	490,010
Professional Services				
(Including In-Kind of \$30,820)	25,005	517,423	910	134,225
Operating Expenses	978	1,734	13,291	1,228
Marketing and Advertising	253	120,487	2,938	2,358
Occupancy	46,506	450	5,850	3,646
Small Equipment Purchases, Leases and Maintenance	28,962	28,226	1,132	9,950
Staff Development and Reimbursements	3,434	29,214	207	5,551
Subscriptions, Dues and Publications	3,789	5,596	39	90,959
Special Events and Donor Relations Expense (Including In-Kind of \$12,000)	2,249	766	0	297
Interest Expense	0	0	0	0
Other Community Program Support	6,899	79,034	378,534	672,402
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Expense Subtotal	555,370	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	4,522	0	0	0
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Total Payments to Affiliates	33,459	0	0	0
Depreciation and Amortization	6,760	0	0	0
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Total Operations Expense	595,589	1,276,505	461,733	1,410,626
Allocations/Awards	2,905,960	0	0	0
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Total Functional Division Expenses	\$ 3,501,549	\$ 1,276,505	\$ 461,733	\$ 1,410,626
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THE UNITED WAY OF CENTRAL NEW YORK, INC.

Total Program Services	Resource Development and Marketing	Organizational Administration	Total Supporting Services	Total Expenses
\$ 1,233,630	\$ 524,205	\$ 191,250	\$ 715,455	\$ 1,949,085
150,923	74,709	37,689	112,398	263,321
95,159	40,293	13,572	53,865	149,024
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1,479,712	639,207	242,511	881,718	2,361,430
677,563	34,675	81,771	116,446	794,009
17,231	11,103	4,463	15,566	32,797
126,036	87,993	725	88,718	214,754
56,452	64,445	29,261	93,706	150,158
68,270	30,475	10,901	41,376	109,646
38,406	4,188	1,359	5,547	43,953
100,383	23,678	5,508	29,186	129,569
3,312	14,150	932	15,082	18,394
0	0	7,200	7,200	7,200
1,136,869	0	0	0	1,136,869
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3,704,234	909,914	384,631	1,294,545	4,998,779
28,937	38,838	18,227	57,065	86,002
4,522	6,070	2,848	8,918	13,440
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33,459	44,908	21,075	65,983	99,442
6,760	9,076	4,259	13,335	20,095
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3,744,453	963,898	409,965	1,373,863	5,118,316
2,905,960	0	0	0	2,905,960
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>\$ 6,650,413</u>	<u>\$ 963,898</u>	<u>\$ 409,965</u>	<u>\$ 1,373,863</u>	<u>\$ 8,024,276</u>

See notes to financial statements.

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Total Net Assets	\$ (1,526,219)	\$ 1,053,512
Adjustments to Reconcile Change in Total Net Assets to Net Cash and Restricted Cash Used In Operating Activities:		
Depreciation and Amortization	20,521	20,095
Paycheck Protection Program Loan Forgiveness	0	(342,900)
Change in Beneficial Interest in Trust	17,800	(31,340)
Gain (Loss) on Investments	691,356	(1,465,340)
Stock Contributions	(21,112)	(12,829)
Change in Allowance for Uncollectible Pledges	(48,459)	(28,594)
(Increase) Decrease in Operating Assets:		
Campaign Pledges Receivable	82,932	308,214
Grants and Other Program Receivables	278,217	609,429
Prepaid Expenses and Other Assets	30,503	24,517
Increase (Decrease) in Operating Liabilities:		
Accounts Payable and Accrued Expenses	191,010	(332,536)
Funds Held for Others	71,173	9,493
Donor Designations Payable	(20,842)	(266,486)
Undesignated Allocations Payable	106,459	(11,475)
Deferred Revenue	9,304	6,504
Refundable Advances	27,744	0
Net Cash Used In Operating Activities	(89,613)	(459,736)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(1,589,275)	(2,073,153)
Proceeds from Sale of Investments	1,757,644	2,312,037
Purchase of Property and Equipment	(18,096)	0
Net Cash Provided By Investing Activities	150,273	238,884
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Activity on Line-of-Credit	320,198	273,457
Net Cash Provided By Financing Activities	320,198	273,457
Net Change in Cash and Restricted Cash	380,858	52,605
Cash and Restricted Cash, Beginning of Year	999,568	946,963
Cash and Restricted Cash, End of Year	<u>\$ 1,380,426</u>	<u>\$ 999,568</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

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, 2022 and 2021

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, 2022 and 2021

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, 2022 and 2021. Restricted cash is comprised of funds held for others or deposited with the Corporation that are restricted by donors and funders for future programming needs. 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:

	2022	2021
Cash	\$ 65,142	\$ 69,162
Restricted Cash	<u>1,315,284</u>	<u>930,406</u>
Total	<u>\$ 1,380,426</u>	<u>\$ 999,568</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Cash and Cash Equivalents – Continued

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.

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.

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 \$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 \$20,521 and \$20,095 for the years ended June 30, 2022 and 2021, respectively.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Property and Equipment – Continued

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

	2022	2021
Leasehold Improvements	\$ 38,630	\$ 38,630
Furniture and Equipment	<u>224,289</u>	<u>289,194</u>
	262,919	327,824
Less: Accumulated Depreciation and Amortization	<u>137,390</u>	<u>199,870</u>
Net Property and Equipment	<u><u>\$ 125,529</u></u>	<u><u>\$ 127,954</u></u>

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, 2022 and 2021.

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Deferred Revenue

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

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.

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.

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

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.

Newly Adopted Accounting Pronouncement

The Corporation has adopted FASB Accounting Standards Update (ASU) No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets* for its fiscal year ended June 30, 2022. This guidance is intended to increase the transparency of contributed nonfinancial assets for not-for-profit entities through enhanced presentation and disclosure.

This ASU requires that nonfinancial assets are presented as separate line items in the statement of activities and disclosures including disaggregation of the amount contributed by category, a description of the donor restriction, and valuation techniques for the nonfinancial assets received. The adoption did not have a material impact on reported net assets as of July 1, 2021.

Reclassifications

Certain 2021 amounts have been reclassified to conform to the 2022 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 18, 2022, which is the date the financial statements were available to be issued.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

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:

	2022	2021
Financial Assets:		
Cash	\$ 65,142	\$ 69,162
Restricted Cash	1,315,284	930,406
Campaign Pledges Receivable, Net	1,927,457	1,961,930
Grants and Other Program Receivables	365,004	643,221
Investments	5,445,903	6,284,516
Beneficial Interest in Trust	<u>148,268</u>	<u>166,068</u>
Total Financial Assets	9,267,058	10,055,303
Financial Assets Not Available Within One Year:		
Funds Held for Others	(383,371)	(312,198)
Donor Designations Payable	(697,915)	(718,757)
Note Payable to New York State	(86,375)	(86,375)
Board Designated Net Assets	(329,880)	(320,592)
Net Assets With Donor Restrictions	<u>(5,458,585)</u>	<u>(5,564,425)</u>
Financial Assets Not Available Within One Year	<u>(6,956,126)</u>	<u>(7,002,347)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u><u>\$ 2,310,932</u></u>	<u><u>\$ 3,052,956</u></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, 2022 and 2021

NOTE 4 – CAMPAIGN PLEDGES RECEIVABLE

Pledges receivable at June 30 were as follows:

	2022		
	Pledges Receivable	Estimated Provisions for Uncollectible Pledges	Net
Next Century Campaign	\$ 200,000	\$ 0	\$ 200,000
Fall 2022 Campaign	6,250	0	6,250
Fall 2021 Campaign	1,900,433	227,000	1,673,433
Fall 2020 Campaign	<u>66,233</u>	<u>18,459</u>	<u>47,774</u>
Total	<u>\$ 2,172,916</u>	<u>\$ 245,459</u>	<u>\$ 1,927,457</u>
		2021	
	Pledges Receivable	Estimated Provisions for Uncollectible Pledges	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	<u>19,918</u>	<u>19,918</u>	<u>0</u>
Total	<u>\$ 2,255,848</u>	<u>\$ 293,918</u>	<u>\$ 1,961,930</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, 2022 and 2021.

Campaign pledges receivable are due as follows:

	2022	2021
Due Within One Year	\$ 2,036,249	\$ 2,255,848
Due Within Two to Five Years	<u>136,667</u>	<u>0</u>
Total	<u>\$ 2,172,916</u>	<u>\$ 2,255,848</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

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 \$1,110,450 and \$2,108,303 remaining on executed conditional federal, state, and foundation grants as of June 30, 2022 and 2021, 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, 2022 and 2021

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

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, 2022

	Level 1	Level 2	Level 3	Total
Investments:				
Cash and Cash Equivalents	\$ 189,291	\$ 0	\$ 0	\$ 189,291
Corporate Obligations	0	189,136	0	189,136
United States Treasury Notes	476,355	0	0	476,355
Mortgage Backed Securities	0	73,232	0	73,232
Mutual Funds - Equity	1,637,136	0	0	1,637,136
Preferred Stocks	2,616	0	0	2,616
Equity Securities	2,826,260	0	0	2,826,260
Other Investments	51,877	0	0	51,877
	<u>\$ 5,183,535</u>	<u>\$ 262,368</u>	<u>\$ 0</u>	<u>\$ 5,445,903</u>
Total Investments				
	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 148,268</u>	<u>\$ 148,268</u>
Beneficial Interest in Trust				

THE UNITED WAY OF CENTRAL NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

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, 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>
Total Investments	<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 table below sets forth a summary of changes in the fair value for the Corporation's Level 3 assets for the year ended June 30:

	2022	2021
Beneficial Interest in Trust:		
Balance, Beginning of Year	\$ 166,068	\$ 134,728
Interest Income	7,853	3,170
Gain (Loss) on Investments	(17,800)	31,340
Distributions to the Organization	(7,853)	(3,170)
	<u>\$ 148,268</u>	<u>\$ 166,068</u>
Balance, End of Year	<u>\$ 148,268</u>	<u>\$ 166,068</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

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 4.75% and 3.25% for the years ended June 30, 2022 and 2021, respectively. The demand promissory note is secured by all of the Corporation's assets. The outstanding balance was \$870,516 and \$550,318 as of June 30, 2022 and 2021, respectively.

Interest paid on the line-of-credit was \$16,383 and \$7,200 for the years ended June 30, 2022 and 2021, respectively.

NOTE 8 – PAYCHECK PROTECTION PROGRAM

In April 2020, the Corporation received an award of \$342,900 loan under the United States Small Business Administration's (SBA) Paycheck Protection Program (PPP). The loan was uncollateralized and fully guaranteed by the Federal government. This loan was fully forgiven and paid off by the SBA in June 2021. The Corporation recognized revenue of \$342,900 as of June 30, 2021.

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, 2022 and 2021.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

NOTE 10 – ENDOWMENT

In 2021, the Corporation had one donor designated endowment fund (Weisberg Fund) to support the general operations of the Corporation. In 2022, the Next Century Endowment Fund was added. This fund is also donor designated whose purpose is 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, 2022 and 2021. 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. As of June 30, 2022, one fund with an original gift value of \$308,074, fair value of \$292,911 and deficiency of \$15,163 was reported in net assets with donor restrictions. There was no deficiency reported in the net assets without donor restrictions as of June 30, 2021.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

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 Corporation has not appropriated any funds from the Next Century Endowment fund as of June 30, 2022.

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

	2022	2021
Original Donor Restricted Gift	\$ 369,314	\$ 61,240
Accumulated Unspent Earnings	20,710	35,227
Deficiencies	<u>(15,163)</u>	<u>0</u>
Total Endowment Fund	<u>\$ 374,861</u>	<u>\$ 96,467</u>

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

	2022	2021
Endowment Net Assets, Beginning of Year	\$ 96,467	\$ 74,820
Contributions	308,074	0
Investment Income, Net	2,134	1,412
Investment Gain (Loss)	(28,469)	23,463
Appropriations	<u>(3,345)</u>	<u>(3,228)</u>
Endowment Net Assets, End of Year	<u>\$ 374,861</u>	<u>\$ 96,467</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

NOTE 11 – NET ASSETS

Net assets without donor restriction consists of the following:

	2022	2021
Board Designated:		
Forever Fund - Operating	\$ 163,686	\$ 154,398
Undesignated Planned Gifts	161,194	161,194
Property and Equipment	125,529	127,954
Emerging Needs	5,000	5,000
Total Board Designated Net Assets	455,409	448,546
Undesignated Net Assets (Deficit)	(716,298)	710,944
Total Net Assets (Deficit)		
Without Donor Restrictions	\$ (260,889)	\$ 1,159,490

A description of board designated net assets is as follows:

- ***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, 2022 and 2021

NOTE 11 – NET ASSETS – Continued

Net assets with donor restriction consists of the following:

	2022	2021
Undesignated Future Campaign	\$ 75,750	\$ 28,000
Early Childhood Alliance	828,072	610,033
Literacy Coalition of Onondaga County	325,891	297,483
211 Central New York Fund	51,212	52,862
Other	36,113	18,717
Forever Fund	3,418,418	4,294,795
Beneficial Interest in Trust	148,268	166,068
Weisberg Fund	81,950	96,467
Next Century Endowment Pledges	200,000	0
Next Century Endowment	308,074	0
Underwater Next Century Endowment Funds	<u>(15,163)</u>	<u>0</u>
Total Net Assets With Donor Restrictions	<u>\$ 5,458,585</u>	<u>\$ 5,564,425</u>

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.
- ***Next Century Endowment Pledges*** – This fund represents pledges made that will be transferred to the Next Century Endowment fund once they are paid.
- ***Weisberg Fund, Next Century Endowment, and Underwater Next Century Endowment Funds*** – These funds are 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, 2022 and 2021

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:

	2022	2021
Time Restrictions:		
Net Campaign Contributions Received in Prior Period	\$ 3,236,955	\$ 3,663,965
Forever Fund	373,859	152,936
Weisberg Fund	3,345	3,228
Purpose Restrictions:		
Early Childhood Alliance	569,655	530,343
Literacy Coalition of Onondaga County	92,200	48,139
211 Central New York Fund	174,650	109,137
Other	<u>27,142</u>	<u>5,491</u>
Total	<u>\$ 4,477,806</u>	<u>\$ 4,513,239</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 4.0% and 3.5% of participants' compensation for the years ended June 30, 2022 and 2021, respectively. Retirement expense was \$63,008 and \$43,148 for the years ended June 30, 2022 and 2021, respectively.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

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. 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%. The Corporation also leases office space on a short-term basis. Rent expense was \$138,209 and \$123,833 for the years ended June 30, 2022 and 2021, respectively. Minimum future rental payments under non-cancellable operating leases as of June 30, 2022 are:

2023	\$ 144,451
2024	142,391
2025	142,772
2026	143,164
2027	130,817
Thereafter	<u>313,419</u>
Total	<u>\$ 1,017,014</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

NOTE 14 – NONFINANCIAL CONTRIBUTIONS

The Corporation received the following nonfinancial contributions in the years ending June 30:

	2022	2021
Professional Services	\$ 23,866	\$ 30,820
Printing and Artwork	9,079	0
Small Equipment Purchases, Leases and Maintenance	1,125	0
Special Events	9,883	12,000
Other Community Program Support	<u>146,902</u>	<u>0</u>
Total Nonfinancial Contributions	<u>\$ 190,855</u>	<u>\$ 42,820</u>

Professional services are contributed and valued at the price set by the service provider, less any compensation paid. Printing and artwork include advertising in-kind which is valued at the current advertising rates, less any compensation paid. Small equipment purchases, leases and maintenance, special events, and other community program support include contributions of supplies and equipment. Supplies and equipment are valued at retail prices at the time of donation. There are no donor restrictions on these items. These donations of nonfinancial contributions have been recorded in the statements as both revenue and expense.

A substantial number of volunteers have donated significant amounts of their time to the activities of the Corporation, however no amounts have been reflected in the statements for these donated services, as they do not meet the criteria for recognition under generally accepted accounting principles.