



**United Way
of Central New York**

FINANCIAL STATEMENTS

June 30, 2023 and 2022

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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, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The United Way of Central New York, Inc. as of June 30, 2023 and 2022, 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 17, 2023

THE UNITED WAY OF CENTRAL NEW YORK, INC.

AUDITED FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION

June 30, 2023 and 2022

ASSETS

	2023	2022
Cash	\$ 54,841	\$ 65,142
Restricted Cash	716,132	1,315,284
Campaign Pledges Receivable, Less Allowance for Uncollectible Pledges	1,409,706	1,927,457
Grants and Other Program Receivables	403,129	365,004
Prepaid Expenses and Other Assets	36,462	28,368
Investments	5,413,853	5,445,903
Beneficial Interest in Trust	136,578	148,268
Right of Use Asset - Operating Leases	730,081	0
Property and Equipment, Less Accumulated Depreciation and Amortization	98,331	125,529
TOTAL ASSETS	\$ 8,999,113	\$ 9,420,955

LIABILITIES AND NET ASSETS

LIABILITIES

Line-of-Credit	\$ 991,329	\$ 870,516
Accounts Payable and Accrued Expenses	604,928	617,981
Funds Held for Others	207,284	383,371
Donor Designations Payable	608,713	697,915
Undesignated Allocations Payable	1,022,073	1,467,537
Deferred Revenue	56,430	69,564
Refundable Advances	27,246	30,000
Operating Lease Liabilities	766,286	0
Note Payable to New York State	86,375	86,375
Total Liabilities	4,370,664	4,223,259

NET ASSETS

Without Donor Restrictions	(308,609)	(260,889)
With Donor Restrictions	4,937,058	5,458,585
Total Net Assets	4,628,449	5,197,696

TOTAL LIABILITIES AND NET ASSETS	\$ 8,999,113	\$ 9,420,955
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See notes to financial statements.

STATEMENTS OF ACTIVITIES
Years Ended June 30, 2023 and 2022

	Net Assets	
	Without Donor Restrictions	
	2023	2022
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	260,882	328,286
Forever Fund Contributions, Net of Change in Charitable Gift Annuity	0	0
Service Fee Income	248,175	211,462
Grants and Other Non-Campaign Contributions	2,189,585	2,919,699
Investment Income	41,988	37,433
Miscellaneous Revenue	3,082	3,631
Net Assets Released from Restrictions	<u>5,320,048</u>	<u>4,477,806</u>
Total Public Support and Other Revenue	8,063,760	7,978,317
EXPENSES		
Functional Division Expenses:		
Community Impact	3,316,026	4,089,734
Early Childhood Alliance	1,226,087	1,341,183
Literacy Coalition of Onondaga County	537,890	461,125
Other Community Programs	1,548,169	1,903,625
Total Program Services	<u>6,628,172</u>	<u>7,795,667</u>
Resource Development and Marketing	1,027,837	1,033,698
Organizational Administration	<u>504,744</u>	<u>452,497</u>
Total Supporting Services	<u>1,532,581</u>	<u>1,486,195</u>
Total Functional Division Expenses	<u>8,160,753</u>	<u>9,281,862</u>
Change in Operating Net Assets	(96,993)	(1,303,545)
NON-OPERATING ACTIVITY		
Change in Beneficial Interest in Trust	0	0
Gain (Loss) on Investments	54,040	(116,834)
Contribution to Not-For-Profit	<u>(4,767)</u>	<u>0</u>
Total Non-Operating Activity	<u>49,273</u>	<u>(116,834)</u>
Change in Total Net Assets	(47,720)	(1,420,379)
Net Assets (Deficit), Beginning of Year	<u>(260,889)</u>	<u>1,159,490</u>
Net Assets (Deficit), End of Year	<u>\$ (308,609)</u>	<u>\$ (260,889)</u>

THE UNITED WAY OF CENTRAL NEW YORK, INC.

Net Assets With Donor Restrictions		Total Net Assets	
2023	2022	2023	2022
\$ 4,742,414	\$ 4,393,744	\$ 4,742,414	\$ 4,393,744
270,356	190,855	270,356	190,855
(149,750)	(22,000)	(149,750)	(22,000)
(371,575)	(376,768)	(371,575)	(376,768)
(563,778)	(674,126)	(563,778)	(674,126)
<u>(238,000)</u>	<u>(227,000)</u>	<u>(238,000)</u>	<u>(227,000)</u>
3,689,667	3,284,705	3,689,667	3,284,705
0	0	260,882	328,286
(2,159)	(3,134)	(2,159)	(3,134)
0	0	248,175	211,462
1,689,187	1,637,048	3,878,772	4,556,747
60,485	45,669	102,473	83,102
0	0	3,082	3,631
<u>(5,320,048)</u>	<u>(4,477,806)</u>	<u>0</u>	<u>0</u>
117,132	486,482	8,180,892	8,464,799
0	0	3,316,026	4,089,734
0	0	1,226,087	1,341,183
0	0	537,890	461,125
0	0	1,548,169	1,903,625
<u>0</u>	<u>0</u>	<u>6,628,172</u>	<u>7,795,667</u>
0	0	1,027,837	1,033,698
0	0	504,744	452,497
<u>0</u>	<u>0</u>	<u>1,532,581</u>	<u>1,486,195</u>
0	0	8,160,753	9,281,862
117,132	486,482	20,139	(817,063)
(11,690)	(17,800)	(11,690)	(17,800)
448,149	(574,522)	502,189	(691,356)
<u>(1,075,118)</u>	<u>0</u>	<u>(1,079,885)</u>	<u>0</u>
<u>(638,659)</u>	<u>(592,322)</u>	<u>(589,386)</u>	<u>(709,156)</u>
(521,527)	(105,840)	(569,247)	(1,526,219)
<u>5,458,585</u>	<u>5,564,425</u>	<u>5,197,696</u>	<u>6,723,915</u>
<u>\$ 4,937,058</u>	<u>\$ 5,458,585</u>	<u>\$ 4,628,449</u>	<u>\$ 5,197,696</u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2023 with Comparative Totals
for Year Ended June 30, 2022

	Community Impact	Early Childhood Alliance	Literacy Coalition of Onondaga County	Other Community Programs
Salaries	\$ 428,471	\$ 569,357	\$ 116,815	\$ 542,420
Employee Benefits	63,780	99,500	4,808	75,805
Payroll Taxes	38,232	53,928	10,927	50,671
Total Salaries and Related Expenses	530,483	722,785	132,550	668,896
Professional Services	24,711	238,605	1,639	408,978
Operating Expenses	2,958	4,442	15,836	3,965
Marketing and Advertising	4,341	69,376	2,674	186,480
Occupancy	51,455	13,568	4,150	12,176
Small Equipment Purchases, Leases and Maintenance	36,564	36,078	1,486	25,733
Staff Development and Reimbursements	8,774	19,770	2,521	43,865
Subscriptions, Dues and Publications	4,881	3,313	117	100,316
Special Events and Donor Relations Expense	72,396	20,283	0	11,509
Interest Expense	0	0	0	0
Other Community Program Support	222,668	97,109	376,917	86,251
Expense Subtotal	959,231	1,225,329	537,890	1,548,169
Payments to Affiliates:				
United Way Worldwide Dues	30,497	0	0	0
United Way of New York State Dues	2,880	0	0	0
Total Payments to Affiliates	33,377	0	0	0
Depreciation and Amortization	6,576	758	0	0
Total Operations Expense	999,184	1,226,087	537,890	1,548,169
Allocations/Awards	2,316,842	0	0	0
Total Functional Division Expenses	\$ 3,316,026	\$ 1,226,087	\$ 537,890	\$ 1,548,169

THE UNITED WAY OF CENTRAL NEW YORK, INC.

Total Program Services	Resource Development and Marketing	Organizational Administration	Total Supporting Services	Total Expenses	
				2023	2022
\$ 1,657,063	\$ 460,883	\$ 226,804	\$ 687,687	\$ 2,344,750	\$ 2,107,154
243,893	93,321	44,334	137,655	381,548	324,097
153,758	40,720	20,396	61,116	214,874	156,238
<u>2,054,714</u>	<u>594,924</u>	<u>291,534</u>	<u>886,458</u>	<u>2,941,172</u>	<u>2,587,489</u>
673,933	73,356	62,893	136,249	810,182	943,748
27,201	10,638	4,223	14,861	42,062	35,433
262,871	147,718	97	147,815	410,686	258,224
81,349	62,263	31,182	93,445	174,794	175,176
99,861	31,045	14,235	45,280	145,141	97,822
74,930	5,816	1,186	7,002	81,932	47,590
108,627	29,370	2,220	31,590	140,217	142,463
104,188	23,389	203	23,592	127,780	57,923
0	0	72,544	72,544	72,544	16,383
782,945	0	0	0	782,945	1,506,855
<u>4,270,619</u>	<u>978,519</u>	<u>480,317</u>	<u>1,458,836</u>	<u>5,729,455</u>	<u>5,869,106</u>
30,497	34,828	18,530	53,358	83,855	103,955
2,880	3,537	1,753	5,290	8,170	12,383
<u>33,377</u>	<u>38,365</u>	<u>20,283</u>	<u>58,648</u>	<u>92,025</u>	<u>116,338</u>
7,334	10,953	4,144	15,097	22,431	20,521
<u>4,311,330</u>	<u>1,027,837</u>	<u>504,744</u>	<u>1,532,581</u>	<u>5,843,911</u>	<u>6,005,965</u>
2,316,842	0	0	0	2,316,842	3,275,897
<u>\$ 6,628,172</u>	<u>\$ 1,027,837</u>	<u>\$ 504,744</u>	<u>\$ 1,532,581</u>	<u>\$ 8,160,753</u>	<u>\$ 9,281,862</u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2022

	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
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Total Salaries and Related Expenses	487,642	652,665	71,470	500,319
Professional Services	19,412	341,354	489	422,157
Operating Expenses	2,180	2,805	13,160	1,372
Marketing and Advertising	3,129	131,435	3,213	9,513
Occupancy	48,202	11,889	2,557	10,932
Small Equipment Purchases, Leases and Maintenance	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	6,115	16,865	0	50
Interest Expense	0	0	0	0
Other Community Program Support	163,633	126,989	369,075	847,158
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Expense Subtotal	768,340	1,340,208	461,125	1,903,625
Payments to Affiliates:				
United Way Worldwide Dues	34,776	0	0	0
United Way of New York State Dues	4,145	0	0	0
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Total Payments to Affiliates	38,921	0	0	0
Depreciation and Amortization	6,576	975	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
Total Operations Expense	813,837	1,341,183	461,125	1,903,625
Allocations/Awards	3,275,897	0	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
Total Functional Division Expenses	<u>\$ 4,089,734</u>	<u>\$ 1,341,183</u>	<u>\$ 461,125</u>	<u>\$ 1,903,625</u>

THE UNITED WAY OF CENTRAL NEW YORK, INC.

Total Program Services	Resource Development and Marketing	Organizational Administration	Total Supporting Services	Total Expenses
\$ 1,401,776	\$ 485,011	\$ 220,367	\$ 705,378	\$ 2,107,154
203,319	76,679	44,099	120,778	324,097
107,001	32,611	16,626	49,237	156,238
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1,712,096	594,301	281,092	875,393	2,587,489
783,412	83,880	76,456	160,336	943,748
19,517	11,779	4,137	15,916	35,433
147,290	110,857	77	110,934	258,224
73,580	71,916	29,680	101,596	175,176
58,463	28,874	10,485	39,359	97,822
38,458	6,921	2,211	9,132	47,590
110,597	28,184	3,682	31,866	142,463
23,030	34,861	32	34,893	57,923
0	0	16,383	16,383	16,383
1,506,855	0	0	0	1,506,855
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4,473,298	971,573	424,235	1,395,808	5,869,106
34,776	47,635	21,544	69,179	103,955
4,145	5,664	2,574	8,238	12,383
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
38,921	53,299	24,118	77,417	116,338
7,551	8,826	4,144	12,970	20,521
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4,519,770	1,033,698	452,497	1,486,195	6,005,965
3,275,897	0	0	0	3,275,897
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<u>\$ 7,795,667</u>	<u>\$ 1,033,698</u>	<u>\$ 452,497</u>	<u>\$ 1,486,195</u>	<u>\$ 9,281,862</u>

See notes to financial statements.

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Total Net Assets	\$ (569,247)	\$ (1,526,219)
Adjustments to Reconcile Change in Total Net Assets to Net Cash and Restricted Cash Used In Operating Activities:		
Reduction in the Carrying Amount of the Right of Use Assets -		
Operating Leases	111,669	0
Depreciation and Amortization	22,431	20,521
Noncash Transfers to Not-for-Profit	4,767	0
Change in Beneficial Interest in Trust	11,690	17,800
(Gain) Loss on Investments	(502,189)	691,356
Stock Contributions	(16,757)	(21,112)
Change in Allowance for Uncollectible Pledges	11,910	(48,459)
(Increase) Decrease in Operating Assets:		
Campaign Pledges Receivable	505,841	82,932
Grants and Other Program Receivables	(38,125)	278,217
Prepaid Expenses and Other Assets	(8,094)	30,503
Increase (Decrease) in Operating Liabilities:		
Accounts Payable and Accrued Expenses	28,878	191,010
Funds Held for Others	(176,087)	71,173
Donor Designations Payable	(89,202)	(20,842)
Undesignated Allocations Payable	(445,464)	106,459
Deferred Revenue	(13,134)	9,304
Refundable Advances	(2,754)	27,744
Operating Lease Liabilities	<u>(117,395)</u>	<u>0</u>
Net Cash Used In Operating Activities	(1,281,262)	(89,613)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(2,076,161)	(1,589,275)
Proceeds from Sale of Investments	2,627,157	1,757,644
Purchase of Property and Equipment	<u>0</u>	<u>(18,096)</u>
Net Cash Provided By Investing Activities	550,996	150,273
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Activity on Line-of-Credit	<u>120,813</u>	<u>320,198</u>
Net Cash Provided By Financing Activities	<u>120,813</u>	<u>320,198</u>
Net Change in Cash and Restricted Cash	(609,453)	380,858
Cash and Restricted Cash, Beginning of Year	<u>1,380,426</u>	<u>999,568</u>
Cash and Restricted Cash, End of Year	<u><u>\$ 770,973</u></u>	<u><u>\$ 1,380,426</u></u>
Supplemental Cash Flow Information:		
Right of Use Assets - Operating Leases Incurred with Operating Lease Liabilities at the Adoption of the Lease Standard	<u><u>\$ 841,750</u></u>	<u><u>\$ 0</u></u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

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 initiative came together eight years ago, bringing together a diverse group of stakeholders to address the fact that many local children were not prepared to be successful when they began kindergarten. A multi-faceted set of strategies was developed, and staff hired to implement them. The goal was to ensure that every child under age five in Onondaga County would reach kindergarten ready to succeed in school and in life. After eight years of growth, a decision was made that the Early Childhood Alliance should become an independent not-for-profit organization. See Note 14.

Literacy Coalition of Onondaga County

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

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.
- **Book Buddies** – A tutoring program, in partnership with the Syracuse City School District, that trains and places volunteers in elementary schools to work with children in grades K-3.
- **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 program 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, 2023 and 2022

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 10.

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 10.

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, 2023 and 2022. 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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Cash and Cash Equivalents – Continued

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:

	2023	2022
Cash	\$ 54,841	\$ 65,142
Restricted Cash	<u>716,132</u>	<u>1,315,284</u>
Total	<u>\$ 770,973</u>	<u>\$ 1,380,426</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.

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

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 \$22,431 and \$20,521 for the years ended June 30, 2023 and 2022, respectively.

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

	2023	2022
Leasehold Improvements	\$ 38,630	\$ 38,630
Furniture and Equipment	<u>217,789</u>	<u>224,289</u>
	256,419	262,919
Less: Accumulated Depreciation and Amortization	<u>158,088</u>	<u>137,390</u>
Net Property and Equipment	<u><u>\$ 98,331</u></u>	<u><u>\$ 125,529</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, 2023 and 2022.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

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.

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

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

The Board of Directors approved the timing of the funding cycle to be a calendar year cycle. Allocations and awards are approved in the fall and then paid out over the following calendar year.

Adoption of Lease Standard

The Corporation adopted Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842) on July 1, 2022. The new standard requires a lessee to recognize a liability for lease obligations, representing the discounted obligation to make minimum lease payments, and a corresponding right-of-use asset on the statements of financial position for all leases with a term longer than 12 months. The Corporation elected a short-term lease exemption policy that permits the Corporation to not apply the recognition requirements of the new lease standard to leases with a term of 12 months or less.

The Corporation elected the effective date transition method to initially apply the new lease standard at the adoption date and accordingly, financial information for periods prior to the date of initial application have not been adjusted. The Corporation has elected the package of practical expedients, which permits the Corporation to not reassess its prior conclusions regarding lease identification, lease classification, and initial direct costs.

The Corporation did not elect to use the allowed expedient that permitted the use of hindsight or the expedient in determining lease term or impairment of right-of-use assets.

Upon adoption of this ASU, the Corporation recognized right-of-use assets and lease liabilities of \$841,750 and \$883,672, respectively, based on the present value of remaining minimum rental payments discounted at the Corporation's risk-free rate. In addition, \$41,922 of accounts payable and accrued expenses were reclassified to operating lease liabilities. Adoption of this ASU did not materially impact the financial statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Leases

The Corporation determines if an arrangement is or contains a lease at inception. Leases are included as right of use (ROU) assets and lease liabilities in the statements of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term. In determining the present value of lease payments, the Corporation uses a risk free rate of a period comparable with that of the lease term. The Corporation does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less) or those leases with a present value of the lease payments less than \$2,500. Operating lease expense is recognized on a straight-line basis over the expected lease term. Operating variable lease payments are expensed as incurred.

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 2022 amounts have been reclassified to conform to the 2023 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 17, 2023, 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, 2023 and 2022

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 statements of financial position date because of donor restrictions, consist of the following as of June 30:

	2023	2022
Financial Assets:		
Cash	\$ 54,841	\$ 65,142
Restricted Cash	716,132	1,315,284
Campaign Pledges Receivable, Net	1,409,706	1,927,457
Grants and Other Program Receivables	403,129	365,004
Investments	5,413,853	5,445,903
Beneficial Interest in Trust	<u>136,578</u>	<u>148,268</u>
 Total Financial Assets	 8,134,239	 9,267,058
 Financial Assets Not Available Within One Year:		
Funds Held for Others	(207,284)	(383,371)
Donor Designations Payable	(608,713)	(697,915)
Note Payable to New York State	(86,375)	(86,375)
Board Designated Net Assets	(168,929)	(329,880)
Net Assets With Donor Restrictions	<u>(4,937,058)</u>	<u>(5,458,585)</u>
 Financial Assets Not Available Within One Year	 <u>(6,008,359)</u>	 <u>(6,956,126)</u>
 Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	 <u><u>\$ 2,125,880</u></u>	 <u><u>\$ 2,310,932</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, 2023 and 2022

NOTE 4 – CAMPAIGN PLEDGES RECEIVABLE

Pledges receivable at June 30 were as follows:

	2023		
	Pledges Receivable	Estimated Provisions for Uncollectible Pledges	Net
Next Century Campaign	\$ 122,500	\$ 0	\$ 122,500
Fall 2023 Campaign	18,000	0	18,000
Fall 2022 Campaign	1,505,802	238,000	1,267,802
Fall 2021 Campaign	20,773	19,369	1,404
	<u>1,667,075</u>	<u>257,369</u>	<u>1,409,706</u>
Total	<u>\$ 1,667,075</u>	<u>\$ 257,369</u>	<u>\$ 1,409,706</u>

	2022		
	Pledges Receivable	Estimated Provisions for Uncollectible Pledges	Net
Welcome Us Home 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	66,233	18,459	47,774
	<u>2,172,916</u>	<u>245,459</u>	<u>1,927,457</u>
Total	<u>\$ 2,172,916</u>	<u>\$ 245,459</u>	<u>\$ 1,927,457</u>

THE UNITED WAY OF CENTRAL NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 4 – CAMPAIGN PLEDGES RECEIVABLE – Continued

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, 2023 and 2022.

Campaign pledges receivable are due as follows:

	2023	2022
Due Within One Year	\$ 1,597,075	\$ 2,036,249
Due Within Two to Five Years	<u>70,000</u>	<u>136,667</u>
Total	<u>\$ 1,667,075</u>	<u>\$ 2,172,916</u>

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 \$562,666 and \$1,110,450 remaining on executed conditional federal, state, and foundation grants as of June 30, 2023 and 2022, 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, 2023 and 2022

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 – Equity – 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, 2023 and 2022

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, 2023			
	Level 1	Level 2	Level 3	Total
Investments:				
Cash and Cash Equivalents	\$ 73,583	\$ 0	\$ 0	\$ 73,583
Corporate Obligations	0	164,920	0	164,920
United States Treasury Notes	623,893	0	0	623,893
Mortgage Backed Securities	0	60,886	0	60,886
Mutual Funds - Equity	2,136,306	0	0	2,136,306
Equity Securities	2,315,182	0	0	2,315,182
Other Investments	39,083	0	0	39,083
	<u>\$ 5,188,047</u>	<u>\$ 225,806</u>	<u>\$ 0</u>	<u>\$ 5,413,853</u>
Beneficial Interest in Trust	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 136,578</u>	<u>\$ 136,578</u>

THE UNITED WAY OF CENTRAL NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 6 – INVESTMENTS – Continued

Beneficial Interest in Trust – Continued

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>\$ 5,183,535</u>	<u>\$ 262,368</u>	<u>\$ 0</u>	<u>\$ 5,445,903</u>
Beneficial Interest in Trust	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 148,268</u>	<u>\$ 148,268</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:

	2023	2022
Beneficial Interest in Trust:		
Balance, Beginning of Year	\$ 148,268	\$ 166,068
Interest Income	7,284	7,853
Loss on Investments	(11,690)	(17,800)
Distributions to the Corporation	(7,284)	(7,853)
	<u>136,578</u>	<u>148,268</u>
Balance, End of Year	<u>\$ 136,578</u>	<u>\$ 148,268</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

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 8.25% and 4.75% as of June 30, 2023 and 2022, respectively. The demand promissory note is secured by all of the Corporation's assets. The outstanding balance was \$991,329 and \$870,516 as of June 30, 2023 and 2022, respectively.

Interest paid on the line-of-credit was \$72,544 and \$16,383 for the years ended June 30, 2023 and 2022, respectively.

NOTE 8 – 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, 2023 and 2022.

NOTE 9 – ENDOWMENT

The Corporation has two donor designated endowment funds (Weisberg Fund and Next Century Endowment 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, 2023 and 2022. 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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 9 – ENDOWMENT – Continued

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 net assets without donor restrictions as of June 30, 2023. 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.

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.

THE UNITED WAY OF CENTRAL NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 9 – ENDOWMENT – Continued

Investment and Spending Policy – Continued

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 since inception of the fund.

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

	2023	2022
Original Donor Restricted Gift	\$ 503,898	\$ 369,314
Accumulated Unspent Earnings	37,853	20,710
Deficiencies	<u>0</u>	<u>(15,163)</u>
Total Endowment Fund	<u><u>\$ 541,751</u></u>	<u><u>\$ 374,861</u></u>

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

	2023	2022
Endowment Net Assets, Beginning of Year	\$ 374,861	\$ 96,467
Contributions	134,584	308,074
Investment Income, Net	6,830	2,134
Investment Gain (Loss)	29,044	(28,469)
Appropriations	<u>(3,568)</u>	<u>(3,345)</u>
Endowment Net Assets, End of Year	<u><u>\$ 541,751</u></u>	<u><u>\$ 374,861</u></u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 10 – NET ASSETS

Net assets without donor restriction consists of the following:

	2023	2022
Board Designated:		
Forever Fund - Operating	\$ 168,929	\$ 163,686
Undesignated Planned Gifts	0	161,194
Property and Equipment	98,331	125,529
Emerging Needs	<u>0</u>	<u>5,000</u>
 Total Board Designated Net Assets	 267,260	 455,409
 Undesignated Net Assets (Deficit)	 <u>(575,869)</u>	 <u>(716,298)</u>
 Total Net Assets (Deficit)		
Without Donor Restrictions	<u>\$ (308,609)</u>	<u>\$ (260,889)</u>

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. In 2023, the board undesignated these funds.
- ***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.

THE UNITED WAY OF CENTRAL NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 10 – NET ASSETS – Continued

Net assets with donor restriction consists of the following:

	2023	2022
Undesignated Future Campaign	\$ 149,750	\$ 75,750
Early Childhood Alliance	0	828,072
Book Buddies	53,491	0
Literacy Coalition of Onondaga County	451,490	325,891
211 Central New York Fund	73,943	51,212
Other	60,306	36,113
Forever Fund	3,347,249	3,418,418
Beneficial Interest in Trust	136,578	148,268
Weisberg Fund	89,649	81,950
Next Century Endowment Pledges	122,500	200,000
Next Century Endowment	452,102	308,074
Underwater Next Century Endowment Funds	0	(15,163)
Total Net Assets With Donor Restrictions	\$ 4,937,058	\$ 5,458,585

Net assets with donor restrictions consist of the following:

- ***Undesignated Future Campaign*** – This fund represents funds received for future campaigns.
- ***Early Childhood Alliance, Book Buddies, 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 9.

THE UNITED WAY OF CENTRAL NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 10 – 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:

	2023	2022
Time Restrictions:		
Net Campaign Contributions Received in Prior Period	\$ 3,615,667	\$ 3,236,955
Forever Fund	543,929	373,859
Weisberg Fund	3,568	3,345
Purpose Restrictions:		
Early Childhood Alliance	714,653	569,655
Book Buddies	17,458	0
Literacy Coalition of Onondaga County	12,735	92,200
211 Central New York Fund	354,560	174,650
Other	57,478	27,142
Total	<u>\$ 5,320,048</u>	<u>\$ 4,477,806</u>

NOTE 11 – RETIREMENT BENEFITS

The Corporation has a 401(k) profit sharing retirement plan, which covers all employees who have met the age requirements and who aren't part of an excludable class. The Corporation contributed an amount equal to 4.0% of participants' compensation for both years ended June 30, 2023 and 2022. In 2023, the Corporation also added a 403(b) plan for certain employees with contributions equal to 4.0% of participants' compensation.

Retirement expense was \$87,248 and \$63,008 for the years ended June 30, 2023 and 2022, respectively.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 12 – LEASES

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. The Corporation also leases office space on a short-term basis.

The Corporation has also entered into several equipment operating leases that mature at various times through September 2026. Some of these leases require overage payments based upon the actual use of the machine.

The following is a summary of lease cost and other required information for the year ended June 30, 2023.

Lease Cost	Classification	2022
Operating Lease - Rent	Occupancy	\$ 123,974
Short-Term Operating Lease - Rent	Occupancy	<u>12,096</u>
Total Real Estate Lease Expense		136,070
Operating Leases - Equipment	Small Equipment Purchases, Leases and Maintenance	8,473
Variable Leases - Equipment	Small Equipment Purchases, Leases and Maintenance	<u>5,086</u>
Total Equipment Leases		<u>13,559</u>
Total Lease Expense		<u><u>\$ 149,629</u></u>

The weighted average discount rate applied to calculate operating lease liabilities as of June 30, 2023 was 2.50%. As of June 30, 2023, the weighted-average remaining lease term for the Corporation's operating leases was approximately 6.3 years.

THE UNITED WAY OF CENTRAL NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 12 – LEASES – Continued

Future minimum operating lease payments and reconciliation to the statements of financial position as of June 30, 2023, are as follows:

	Operating Leases
2024	\$ 132,139
2025	132,139
2026	132,139
2027	130,303
2028	129,691
Remaining	<u>172,921</u>
Total Future Undiscounted Lease Payments	829,332
Less: Imputed Interest	<u>(63,046)</u>
Present Value of Lease Liabilities	<u><u>\$ 766,286</u></u>

Rent expense under FASB ASC 840 (pre-adoption of the new standards) for operating leases totaled \$138,209 for the year ended June 30, 2022. Future minimum payments required under those leases are as follows:

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

THE UNITED WAY OF CENTRAL NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 13 – NONFINANCIAL CONTRIBUTIONS

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

	2023	2022
Professional Services	\$ 45,107	\$ 23,866
Printing and Artwork	12,385	9,079
Small Equipment Purchases, Leases and Maintenance	0	1,125
Special Events	6,000	9,883
Other Community Program Support	<u>206,864</u>	<u>146,902</u>
Total Nonfinancial Contributions	<u>\$ 270,356</u>	<u>\$ 190,855</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.

NOTE 14 – CONTRIBUTION TO NOT-FOR-PROFIT

In January 2023, the initiative known as Early Childhood Alliance became its own not-for-profit organization, Early Childhood Alliance Onondaga (ECA). The Corporation has no ownership or control over the new not-for-profit. From January 2023 through June 2023, the Corporation worked to transfer grants and contracts to ECA. During the year ended June 30, 2023, the Corporation contributed \$4,767 of net assets without donor restrictions and \$1,075,118 of net assets with donor restrictions to ECA.