



**United Way of Westchester  
and Putnam, Inc.**

**Financial Statements**

**June 30, 2020 and 2019**



## Independent Auditors' Report

**The Board of Directors  
United Way of Westchester and Putnam, Inc.**

We have audited the accompanying financial statements of United Way of Westchester and Putnam, Inc. which comprise the statements of financial position as of June 30, 2020 and 2019 and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Westchester and Putnam, Inc. as of June 30, 2020 and 2019, 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.

PKF O'CONNOR DAVIES, LLP  
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***Report on Supplementary Information***

Our 2020 audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information presented on pages 23 through 25 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*PKF O'Connor Davies, LLP*

Stamford, Connecticut  
December 17, 2020

**United Way of Westchester & Putnam, Inc.**

**Statements of Financial Position**

	June 30,	
	2020	2019
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,258,714	\$ 1,102,287
Contributions and contracts receivable, net	473,399	541,170
Other assets	350,132	449,306
Investments	2,650,637	2,607,289
Pension benefit asset	-	280,836
Land, building and equipment, net	252,012	273,920
	<b>\$ 4,984,894</b>	<b>\$ 5,254,808</b>
 <b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 196,775	\$ 208,826
Due to agencies	385,675	375,757
Loan payable	343,845	-
Note payable	1,258,019	1,324,000
Other liabilities	98,026	108,222
Total Liabilities	2,282,340	2,016,805
Net Assets		
Without donor restrictions		
Current operations	(535,696)	(48,487)
Land, building and equipment	177,798	185,181
Designated for:		
Program	81,952	88,511
Quasi-endowment	745,779	775,138
Total without donor restrictions	469,833	1,000,343
With donor restrictions	2,232,721	2,237,660
Total Net Assets	2,702,554	3,238,003
	<b>\$ 4,984,894</b>	<b>\$ 5,254,808</b>

See notes to financial statements

United Way of Westchester and Putnam, Inc.

Statements of Activities

	Year Ended June 30, 2020			Year Ended June 30, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>PUBLIC SUPPORT AND REVENUE</b>						
Public Support						
Campaign results (see note 2 for reclassification)	\$ 2,687,958	\$ 290,173	\$ 2,978,131	\$ 3,630,762	\$ 164,410	\$ 3,795,172
Less donor designated funds raised on behalf of others	(127,223)	-	(127,223)	(309,147)	-	(309,147)
Less estimated uncollectible receivables	(114,960)	-	(114,960)	(56,457)	-	(56,457)
Net Campaign Results	2,445,775	290,173	2,735,948	3,265,158	164,410	3,429,568
Gifts in kind	2,033,525	-	2,033,525	1,506,040	-	1,506,040
Bequests and other public support	61,149	14,518	75,667	5,323	13,957	19,280
Total Public Support	4,540,449	304,691	4,845,140	4,776,521	178,367	4,954,888
Revenue						
Investment return	81,164	132,192	213,356	107,594	143,525	251,119
Other income	36,007	2,169	38,176	100,459	2,290	102,749
Total Revenue	117,171	134,361	251,532	208,053	145,815	353,868
Net Assets Released from Restrictions	443,991	(443,991)	-	215,000	(215,000)	-
Total Public Support and Revenue	5,101,611	(4,939)	5,096,672	5,199,574	109,182	5,308,756
<b>EXPENSES</b>						
Program Services						
Community impact	2,868,820	-	2,868,820	2,523,065	-	2,523,065
2-1-1 Hudson Valley Region	1,277,637	-	1,277,637	1,257,337	-	1,257,337
Total Program Services	4,146,457	-	4,146,457	3,780,402	-	3,780,402
Supporting Services						
Management and general Fundraising	961,869	-	961,869	1,082,718	-	1,082,718
Total Supporting Services	329,392	-	329,392	322,076	-	322,076
Total Expenses	1,291,261	-	1,291,261	1,404,794	-	1,404,794
	5,437,718	-	5,437,718	5,185,196	-	5,185,196
Excess of Public Support and Revenue over Expenses	(336,107)	(4,939)	(341,046)	14,378	109,182	123,560
<b>OTHER CHANGES IN NET ASSETS</b>						
Pension benefit termination and liability adjustment	(194,403)	-	(194,403)	(161,030)	-	(161,030)
Change in Net Assets	(530,510)	(4,939)	(535,449)	(146,652)	109,182	(37,470)
<b>NET ASSETS</b>						
Beginning of year	1,000,343	2,237,660	3,238,003	1,146,995	2,128,478	3,275,473
End of year	\$ 469,833	\$ 2,232,721	\$ 2,702,554	\$ 1,000,343	\$ 2,237,660	\$ 3,238,003

**United Way of Westchester and Putnam, Inc.**

Statement of Functional Expenses

Year Ended June 30, 2020

	Program Services			Support Services			Total
	Community Impact	2-1-1 Hudson Valley Region	Total Program	Management and General	Fund Raising		
<b>COMMUNITY SUPPORT</b>							
Gifts in kind	\$ 2,033,525	-	\$ 2,033,525	\$ -	-	\$ 2,033,525	
Grants to local agencies	294,757	-	294,757	-	-	294,757	
Total Community Support	<u>2,328,282</u>	<u>-</u>	<u>2,328,282</u>	<u>-</u>	<u>-</u>	<u>\$ 2,328,282</u>	
<b>PERSONNEL</b>							
Salaries	268,247	694,286	962,533	457,598	157,792	1,577,923	
Employee benefits	71,209	184,305	255,514	121,473	41,888	418,875	
Payroll taxes	24,548	63,536	88,084	41,876	14,440	144,400	
Total Personnel Costs	<u>364,004</u>	<u>942,127</u>	<u>1,306,131</u>	<u>620,947</u>	<u>214,120</u>	<u>2,141,198</u>	
<b>OTHER EXPENSES</b>							
Professional fees and contract services	2,936	51,336	54,272	95,039	444	149,755	
Accounting fees	-	-	-	38,400	-	38,400	
Office/computer supplies	17,402	53,293	70,695	29,365	8,701	108,761	
Telephone	20,756	63,565	84,321	35,025	10,378	129,724	
Postage	949	2,907	3,856	1,601	475	5,932	
Occupancy costs	18,130	55,522	73,652	30,594	9,065	113,311	
Promotional and marketing	70,329	26,990	97,319	-	55,400	152,719	
Local transportation	693	2,122	2,815	1,169	346	4,330	
Conferences, conventions and meetings	1,761	5,393	7,154	2,972	880	11,006	
Equipment rentals	5,257	16,100	21,357	8,871	2,629	32,857	
Bonding and officers' insurance	-	-	-	15,708	-	15,708	
Miscellaneous	4,820	14,761	19,581	8,134	2,410	30,125	
Interest expense	-	-	-	54,063	-	54,063	
National and State United Way dues	28,031	25,437	53,468	11,344	19,938	84,750	
Total Other Expenses	<u>171,064</u>	<u>317,426</u>	<u>488,490</u>	<u>332,285</u>	<u>110,666</u>	<u>931,441</u>	
Depreciation	<u>5,470</u>	<u>18,084</u>	<u>23,554</u>	<u>8,637</u>	<u>4,606</u>	<u>36,797</u>	
Total Expenses	<u>\$ 2,868,820</u>	<u>\$ 1,277,637</u>	<u>\$ 4,146,457</u>	<u>\$ 961,869</u>	<u>\$ 329,392</u>	<u>\$ 5,437,718</u>	

See notes to financial statements

**United Way of Westchester and Putnam, Inc.**

Statement of Functional Expenses

Year Ended June 30, 2019

	Program Services			Support Services		
	Community Impact	2-1-1 Hudson Valley Region	Total Program	Management and General	Fund Raising	Total
<b>COMMUNITY SUPPORT</b>						
Gifts in kind	\$ 1,505,865	-	\$ 1,505,865	\$ -	-	\$ 1,505,865
Grants to local agencies	199,677	-	199,677	-	-	199,677
Total Community Support	<u>1,705,542</u>	-	<u>1,705,542</u>	-	-	<u>1,705,542</u>
<b>PERSONNEL</b>						
Salaries	332,995	632,691	965,686	549,442	149,848	1,664,976
Employee benefits	115,608	219,656	335,264	190,753	52,024	578,041
Payroll taxes	32,021	60,840	92,861	52,835	14,410	160,106
Total Personnel Costs	<u>480,624</u>	<u>913,187</u>	<u>1,393,811</u>	<u>793,030</u>	<u>216,282</u>	<u>2,403,123</u>
<b>OTHER EXPENSES</b>						
Professional fees and contract services	11,498	21,845	33,343	18,971	5,174	57,488
Accounting fees	-	-	-	32,375	-	32,375
Office/computer supplies	26,391	50,143	76,534	43,544	11,876	131,954
Telephone	21,420	40,698	62,118	35,344	9,639	107,101
Postage	1,645	3,126	4,771	2,715	740	8,226
Occupancy costs	25,885	49,181	75,066	42,709	11,648	129,423
Promotional and marketing	146,728	89,937	236,665	20,700	38,553	295,918
Local transportation	3,410	6,480	9,890	5,627	1,535	17,052
Conferences, conventions and meetings	3,716	7,061	10,777	6,133	1,671	18,581
Equipment rentals	4,563	30,269	34,832	7,529	2,053	44,414
Bonding and officers' insurance	-	-	-	15,984	-	15,984
Miscellaneous	13,100	24,890	37,990	21,616	5,895	65,501
Interest expense	-	-	-	26,002	-	26,002
National and State United Way dues	68,104	9,502	77,606	-	6,571	84,177
Total Other Expenses	326,460	333,132	659,592	279,249	95,355	1,034,196
Depreciation	10,439	11,018	21,457	10,439	10,439	42,335
Total Expenses	<u>\$ 2,523,065</u>	<u>\$ 1,257,337</u>	<u>\$ 3,780,402</u>	<u>\$ 1,082,718</u>	<u>\$ 322,076</u>	<u>\$ 5,185,196</u>

See notes to financial statements

**United Way of Westchester & Putnam, Inc.**

**Statements of Cash Flows**

	Years Ended June 30,	
	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (535,449)	\$ (37,470)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	36,797	42,335
Gain on disposal of equipment	-	11,620
Provision for uncollectible receivables	(50,000)	5,000
Realized and unrealized gain on investments	(155,906)	(190,986)
Pension liability adjustment	194,403	161,030
Change in operating assets and liabilities		
Contributions and contracts receivable	117,771	(34,671)
Other assets	99,174	13,758
Accounts payable and accrued expenses	(12,051)	(43,071)
Due to agencies	9,918	(45,471)
Pension benefit asset (liability)	86,433	(881,604)
Other liabilities	4,329	(21,050)
Net Cash from Operating Activities	(204,581)	(1,020,580)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of furniture, fixtures and equipment	(14,889)	-
Purchases of investments	(57,442)	(70,614)
Proceeds from sale of investments	170,000	99,517
Net Cash from Investing Activities	97,669	28,903
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments of bank loans	(65,981)	(390,599)
Payments on capital lease obligations	(14,525)	(19,707)
Proceeds from bank loans	343,845	1,324,000
Net Cash from Financing Activities	263,339	913,694
Net Change in Cash and Cash Equivalents	156,427	(77,983)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	1,102,287	1,180,270
End of year	\$ 1,258,714	\$ 1,102,287
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid for interest	\$ 54,063	\$ 26,002
Equipment acquired through capital lease obligation	-	105,443

See notes to financial statements



## United Way of Westchester and Putnam, Inc.

Notes to Financial Statements  
June 30, 2020 and 2019

### 1. The Organization

United Way of Westchester and Putnam (United Way) is a nonprofit 501(c)(3) organization incorporated under the provisions of the New York State Not-for-Profit Corporation Law dedicated to improving the lives those in the community who live in poverty or paycheck to paycheck. United Way provides strategic resources and tools to help struggling residents lead a better, more stable life, and these include a 211 helpline operating 24/7 across the Hudson Valley, early literacy programming for preschoolers in underserved communities, job skills training and financial empowerment for financially struggling adults and families, as well as access to health services and discounts on prescription drugs. United Way supports hundreds of local nonprofits with millions of dollars in grants and essential goods for basic needs, as well as by providing affordable professional development and connecting nonprofits to new resources which positively impacts hundreds of thousands of individuals every year.

While United Way played an instrumental role responding to the COVID-19 crisis this year, it was not immune to its impact from an operational perspective. Revenue was down mostly due to the cancellation of both its annual Gala and Nonprofit Leadership Summit. At the same time, the organization reduced expenses and secured a Paycheck Protection Program loan ("PPP Loan") in the amount of approximately \$344,000 to help maintain operations. United Way also provided additional support to the community through the use of donor restricted endowment funds. The organization will apply for loan forgiveness by December 31, 2020, and anticipates loan forgiveness.

### 2. Significant Accounting Policies

#### ***Basis of Presentation***

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

#### ***Change in Accounting Principle***

Effective July 1, 2019, United Way adopted ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This guidance provides a framework for evaluating whether grants and contributions should be accounted for as exchange transactions or as nonexchange transactions. Analysis of various provisions of this standard resulted in no significant changes in the way the United Way recognizes contributions, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis.

#### ***Net Asset Presentation***

Net assets without donor restrictions may be expended for any purpose in performing the primary objective of United Way. Net assets with donor restrictions are subject to stipulations imposed by donors. Some donor restrictions are temporary in nature or satisfied by the passage of time. Other donor restrictions may be perpetual in nature, whereby the donor has stipulated the funds be held in perpetuity.

**United Way of Westchester and Putnam, Inc.**

Notes to Financial Statements  
June 30, 2020 and 2019

**2. Significant Accounting Policies (continued)**

***Use of Estimates***

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant estimates and assumptions relate to the determination of the allowance for uncollectible pledges, accrued pension cost and the functional allocation of expenses. Actual results could differ from those estimates.

***Cash and Cash Equivalents***

Cash includes currency on hand, demand deposits with financial institutions, and other amounts that have the general characteristics of demand deposits. Cash equivalents include short-term investments with maturities of three months or less at the time of purchase.

***Fair Value of Financial Instruments***

United Way follows U.S. GAAP on *Fair Value Measurements* which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

***Investments and Investment Income***

Investments in mutual funds are reported at fair value based on quoted market prices. Money market funds and other highly liquid investments with maturities of 90 days or less are reported at cost, which approximates fair value. Securities are reported on a trade date basis. Realized and unrealized gains and losses are included in investment return in the statements of activities.

***Land, Building and Equipment***

Land, building and equipment is stated at cost at the date of acquisition or at estimated fair value at the date of donation, less accumulated depreciation. Expenditures for land, buildings and equipment in excess of \$2,500 are capitalized. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets as follows: buildings (25 years); capital improvements (5 to 10 years); and furniture, fixtures and equipment (3 to 10 years).

## **United Way of Westchester and Putnam, Inc.**

Notes to Financial Statements  
June 30, 2020 and 2019

### **2. Significant Accounting Policies (continued)**

#### ***Public Support***

Public support represents contributions and are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. When a restriction expires, donor restricted net assets are reclassified to net assets without donor restriction. United Way uses the allowance method to determine uncollectible unconditional contributions receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

Campaign results include:

- Local campaign contributions and donations without donor restrictions.
- Local campaign contributions restricted by donors to another not for profit agency or other local United Way (referred to as donor choice).
- Campaign contributions received by other United Ways and designated to United Way of Westchester and Putnam, Inc.

Donor designated amounts raised on behalf of others includes local campaign restricted contributions for agencies not supported by United Way (referred to as donor choice).

#### ***Essential Goods for Basic Needs Program***

United Way's Essential Goods for Basic Needs Program ("Essential Goods") is a gift-in-kind program that provides essential goods to individuals and families in need through the nonprofits that serve them. Essential Goods represent contributed materials and services and are reported at estimated fair value on the date of donation. Contributed materials are received from local vendors and through partnership with a national in-kind program and are distributed to local vetted agencies.

#### ***Volunteer Service***

Contributed services aid the United Way. A substantial number of volunteers have donated considerable amounts of their time to the United Way's program and supporting services; however, none of these contributed services met the requirements for recognition in the financial statements under U.S. GAAP. It is United Way Worldwide's policy to recognize the value of volunteer services by using the value established by the Independent Sector at \$25.43 and \$24.69 per hour in 2020 and 2019. Utilizing this calculation, United Way of Westchester and Putnam has determined that \$119,648 and \$136,781 was contributed in service time to the United Way for the years ended June 30, 2020 and 2019, none of which is reflected in the accompanying financial statements because they do not meet the requirements for recognition.

## United Way of Westchester and Putnam, Inc.

Notes to Financial Statements  
June 30, 2020 and 2019

### 2. Significant Accounting Policies *(continued)*

#### ***Allocations and Grants***

Amounts which have been allocated to specific agencies in the current fiscal year but have not been disbursed as of June 30 are accrued and reflected in the accompanying statements of financial position as "Due to Agencies." Amounts committed for periods after year end are subject to further review and approval by the United Way Board and the availability of funding. Accordingly, such amounts are not reflected as a liability as of year-end. Donor choice funds are paid separately, generally on a quarterly basis, and have also been reflected within "Due to Agencies."

#### ***Impairment or Disposal of Long-lived Assets***

U.S. GAAP guidance requires that long-lived assets and certain identifiable intangible assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived assets is measured by a comparison of the carrying amount of the assets to future undiscounted net cash flows expected to be generated by the assets. No impairment losses have been recorded to date.

#### ***Asset Retirement Obligations***

U.S. GAAP guidance defines an asset retirement obligation as a legal obligation associated with the retirement of tangible long-lived asset and requires recognition of the asset retirement obligation in the period in which incurred, if applicable and if an estimate can be made. United Way evaluated its owned properties for potential asset retirement obligations. Based on this review, United Way has not currently identified any environmental remediation or other such obligations.

#### ***Functional Expenses***

Most expenses can be directly allocated to one of the programs or supporting functions. Certain categories of expenses are attributed to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses in this category include occupancy, depreciation, office expenses, insurance, salaries and wages of support personnel, including the Executive's, accounting, information technology personnel, and payroll taxes. The basis of allocation of these expenses is the result of a time study performed on a quarterly basis during the year.

#### ***Reclassifications***

In 2020, management determined that contributions raised by a local workplace without the assistance of United Way should only include those funds provided to United Way. The prior year amounts for campaign results and donor designated funds raised on behalf of other totaling \$2,462,075 have been removed to conform to the current year presentation. The reclassification has no effect on the net campaign results reported in the statements of activities.

**United Way of Westchester and Putnam, Inc.**

Notes to Financial Statements  
June 30, 2020 and 2019

**2. Significant Accounting Policies (continued)**

***Accounting for Uncertainty in Income Taxes***

United Way recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that United Way had no uncertain tax positions that would require financial statement recognition.

***Subsequent Events Evaluation by Management***

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is December 17, 2020.

**3. Concentrations of Credit Risk**

Financial instruments which potentially subject United Way to concentrations of credit risk include bank deposits in excess of the Federal Deposit Insurance Corporation ("FDIC") limits. United Way's investments are comprised of mutual funds that invest in equities and fixed income securities. Management considers investments to be sufficiently diversified to minimize individual investment and industry concentration risks.

**4. Contributions and Contracts Receivable**

Contributions and contracts receivable are expected to be collected within one year and consisted of the following at June 30:

	<u>2020</u>	<u>2019</u>
Contributions receivable	\$ 289,215	\$ 360,258
Contracts receivable	277,184	323,912
Less allowance for uncollectible receivables	<u>(93,000)</u>	<u>(143,000)</u>
	<u>\$ 473,399</u>	<u>\$ 541,170</u>

**5. Investments and Investment Return**

Investments categorized according to the fair value hierarchy consisted of the following at June 30:

	<u>2020</u>	<u>2019</u>
Level 1 Inputs		
Large blend equity mutual fund *	\$ 1,531,940	\$ 1,593,935
Intermediate bond index mutual fund *	<u>1,118,697</u>	<u>1,013,354</u>
Total Investments	<u>\$ 2,650,637</u>	<u>\$ 2,607,289</u>

\* - represents a single investment

**United Way of Westchester and Putnam, Inc.**

Notes to Financial Statements  
June 30, 2020 and 2019

**5. Investments and Investment Return (continued)**

Investment returns for the years ended June 30 consist of the following:

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ 57,450	\$ 60,133
Realized gain on investments	141,067	73,712
Unrealized appreciation on investments	<u>14,839</u>	<u>117,274</u>
	<u>\$ 213,356</u>	<u>\$ 251,119</u>

**6. Land, Building and Equipment**

Land, building and equipment consisted of the following at June 30:

	<u>2020</u>	<u>2019</u>
Land	\$ 100,000	\$ 100,000
Building	306,128	306,128
Building improvements	823,348	823,348
Furniture, fixtures, and equipment	<u>682,738</u>	<u>667,848</u>
	1,912,214	1,897,324
Less accumulated depreciation	<u>(1,660,202)</u>	<u>(1,623,404)</u>
	<u>\$ 252,012</u>	<u>\$ 273,920</u>

Assets under capital lease as of June 30, 2020 and 2019 had a cost of \$105,433 with accumulated amortization of \$38,662 and \$17,574 at June 30, 2020 and 2019.

**7. Other Assets**

Other assets consisted of the following as of June 30:

	<u>2020</u>	<u>2019</u>
Beneficial interest in trust	\$ 293,203	\$ 291,034
Cash surrender value of life insurance policy	36,684	35,304
Other receivables	15,323	45,665
Prepaid expenses	<u>4,922</u>	<u>77,303</u>
	<u>\$ 350,132</u>	<u>\$ 449,306</u>

**United Way of Westchester and Putnam, Inc.**

Notes to Financial Statements  
June 30, 2020 and 2019

**7. Other Assets (continued)**

United Way has a beneficial interest in the Ruth Taylor Award Fund (the "Trust"), a charitable trust which is valued using Level 3 inputs, and is not in the United Way's possession or under its control. U.S. GAAP requires the recognition of the fair value of the future income stream from the Trust. The fair value of the underlying assets of the fund was used to determine the future income stream. The assets of the Trust are classified as net assets with donor restrictions. Distributions from the Trust are recorded as donor restricted contributions in the statements of activities. Changes in the value of the beneficial interest in the Trust is recorded as with donor restrictions in the statements of activities.

**8. Loan Payable**

On April 13, 2020, United Way received loan proceeds in the amount of \$343,845 under the PPP Loan. The PPP Loan, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loan and accrued interest are forgivable after eight or twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, as described in the CARES Act. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the covered period. United Way believes this loan will be fully forgiven during the year ending June 30, 2021. The unforgiven portion of the PPP Loan, if any, is payable over two years at an interest rate of 1% with a deferral of payments for the first six months.

**9. Note Payable**

On May 31, 2019, United Way refinanced its existing mortgage in order to restructure debt and long term obligations and reduce interest rates and fees. The new agreement contains a 10-year term/15 year amortization loan of \$1,324,000 bearing a fixed rate of 3.88% and a \$250,000 open ended line of credit with an interest rate of 3.5% above the prime rate. The mortgage payable totals \$1,258,019 and \$1,324,000 at June 30, 2020 and 2019 and is secured by an interest in the building. There were no outstanding borrowings on the line of credit as of June 30, 2020 and 2019. Interest expense incurred was \$51,044 and \$22,280 in fiscal 2020 and 2019.

Future payments at June 30, 2020 are payable as follows:

2021	\$ 68,764
2022	71,518
2023	74,383
2024	77,254
2025	80,457
Thereafter	<u>885,643</u>
	<u>\$ 1,258,019</u>

**United Way of Westchester and Putnam, Inc.**

Notes to Financial Statements  
June 30, 2020 and 2019

**10. Defined Benefit Pension Plan**

United Way maintains a noncontributory defined benefit pension plan ("DB Plan") covering employees hired prior to 2008. On November 19, 2008, the Board of Directors voted to freeze the benefits accruing under the DB Plan, effective January 1, 2009. On May 18, 2011, the Board of Directors voted to begin the process to terminate the plan as soon as administratively feasible. On March 27, 2019, after an analysis of annual plan carrying costs and required contributions, the Board of Directors voted to fully fund the estimated obligations through a renegotiation of the mortgage, thereby reducing annual ongoing expenses and defining the term parameters.

On March 18, 2020, distributions to all plan participants was completed by Mutual of America and on April 1, 2020, the remaining plan assets totaling \$86,433 were returned to United Way. Final Form 5500 was submitted in November, 2020 as required by the tax regulations.

The calculations below were determined based on information as of June 30, 2019.

DB Plan information for fiscal 2019 is as follows:

DB Plan status at June 30, 2019

Obligations and funded status at year end

Projected benefit obligation	\$2,705,666
Fair value of DB Plan assets	<u>2,986,499</u>
Funded status	<u>\$ 280,833</u>
Accumulated benefit obligation	\$2,705,666

Net periodic benefit cost recognized in the  
statement of activities

Employer contribution to DB Plan	\$ 52,169
Benefits paid	1,006,670
	232,862

DB Plan information for fiscal 2019 is as follows:

Discount rate	3.75%
Expected long-term return on Plan assets	5.50%
Rate of compensation increase	0.00%



**United Way of Westchester and Putnam, Inc.**

Notes to Financial Statements  
June 30, 2020 and 2019

**10. Defined Benefit Pension Plan (continued)**

***Items Not Yet Reflected in Net Periodic Benefit Cost***

Unrecognized actuarial losses not yet recognized in the net periodic pension cost is \$838,348 at June 30, 2019.

The Expected Long-Term Rate of Return on Plan Assets assumption of 5.50% was selected using the "building block" approach described by the Actuarial Standards Board in Actuarial Standards of Practice No. 27 - Selection Economic Assumptions for Measuring Pension Obligations. Based on United Way's investment policy for the DB Plan in effect as of the beginning of fiscal year, a best estimate range was determined for both the real rate of return (net of inflation and investment expense) and for inflation based on long term historical return on the applicable asset classes. An average inflation rate within the range equal to 3.00% was selected and added to the real rate of return range to arrive at a best estimate range of 5.33% - 6.92%. A rate of 5.50% which is within the best estimate range was selected.

***DB Plan Assets***

The DB Plan assets as of June 30, 2019 by category consist of:

Level 1 Inputs	
Equity securities	\$ 689,394
Fixed income securities	<u>2,039,894</u>
Total Level 1 Inputs	2,729,288
Insurance company general account	<u>257,211</u>
	<u>\$2,986,499</u>

Equity and fixed income securities are valued using Level 1 inputs. Investments in the insurance company general account are held with Mutual of America and are valued at contract value and exempt from classification as a Level 1, 2 or 3 asset. The investment policy of the plan requires an investment allocation mix of 30% in equities and 70% in guaranteed interest accounts, including a higher yielding pension money market fund. The asset mix will be rebalanced quarterly if the ratio varies by more than 5%.

**11. Defined Contribution Pension Plan**

United Way maintains a defined contribution pension plan ("DC Plan") covering substantially all of its employees. Contributions to the DC Plan are computed as a percentage of each employee's basic compensation for all enrolled employees who have completed one year of service and factor in their position and length of service within the United Way. Eligible employees may make voluntary contributions to the DC Plan. Employer contributions were \$96,495 and \$103,410 for the years ended June 30, 2020 and 2019.

**United Way of Westchester and Putnam, Inc.**

Notes to Financial Statements  
June 30, 2020 and 2019

**12. Liquidity and Availability of Financial Assets**

United Way's endowment consists of donor-restricted funds and a board-designated fund. Income from donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditure. As described in Note 13, the endowment fund has a spending rate policy and appropriations from the board-designated quasi-endowment are available upon Board approval.

As part of the United Way's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, United Way invests cash in excess of daily requirements in short-term investments. To help manage unanticipated liquidity needs, the organization has a committed line of credit in the amount of \$250,000, which it could draw upon. Additionally, United Way has a board-designated quasi-endowment of \$745,779. Although United Way does not intend to spend from its board-designated quasi-endowment other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its board-designated quasi-endowment could be made available with board approval if necessary.

United Way's financial assets available to meet cash needs for general expenditures within one year as of June 30 are as follows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 1,258,714	\$ 1,102,287
Accounts receivable	473,399	541,170
Investments	2,650,637	2,607,289
Beneficial interest in trust	<u>293,203</u>	<u>291,034</u>
Financial assets available as of year end	4,675,953	4,541,780
Less amount unavailable for general expenditures due to:		
Perpetual in nature	(1,579,271)	(1,577,102)
Subject to donor purpose restrictions	(653,450)	(660,558)
Board-designated quasi-endowment	(745,779)	(775,138)
Plus amount available for general expenditures due to:		
Appropriation from endowment for general expenditures in subsequent year	<u>103,000</u>	<u>100,000</u>
Financial assets as of year end available to meet cash needs for general expenditures within one year	<u>\$ 1,800,453</u>	<u>\$ 1,628,982</u>

**United Way of Westchester and Putnam, Inc.**

Notes to Financial Statements  
June 30, 2020 and 2019

**13. Funds Held for Long-Term Investment**

United Way has interpreted the New York Prudent Management of Institutional Funds Act ("NYPMIFA") as requiring the preservation of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the United Way classifies as donor restricted net assets that are perpetual in nature (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the perpetual endowment fund, and (c) accumulations of investment returns to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as perpetually restricted net assets is classified as donor restricted net assets with a purpose until those amounts are appropriated for expenditure by the United Way in a manner consistent with the standard of prudence prescribed by NYPMIFA.

The primary investment objective is to provide over time a real rate of return over inflation that will maintain (and preferably increase) the real value of the assets in order to support in perpetuity the United Way's mission. The spending policy of the United Way is to use a 5% payout of the rolling three-year average market value of its investments.

Activity in funds held for long-term investment for the years ended June 30, 2020 and 2019 is summarized as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balance, June 30, 2018	\$ 705,342	\$ 1,421,677	\$ 2,127,019
Contributions	6,500	-	6,500
Investment return	107,290	129,447	236,737
Appropriation for expenditures	<u>(43,994)</u>	<u>(55,489)</u>	<u>(99,483)</u>
Balance, June 30, 2019	775,138	1,495,635	2,270,773
Transfers, net	(75,000)	-	(75,000)
Investment return	91,123	109,941	201,064
Appropriation for expenditures	<u>(45,482)</u>	<u>(57,366)</u>	<u>(102,848)</u>
Balance, June 30, 2020	<u>\$ 745,779</u>	<u>\$ 1,548,210</u>	<u>\$ 2,293,989</u>

**United Way of Westchester and Putnam, Inc.**

Notes to Financial Statements  
June 30, 2020 and 2019

**14. Net Assets With Donor Restrictions**

Net assets with donor restrictions as of June 30 consist of the following:

	<u>2020</u>	<u>2019</u>
Subject to a specific purpose or time		
Ruth Taylor Award Fund	\$ 42,888	\$ 47,870
Holland Scholarship Fund	63,147	73,753
Response Fund	39,840	-
Income initiatives	95,000	103,410
Bendheim Community Disaster Recovery Fund	108,831	150,974
Westchester Disaster Recovery Fund	25,988	25,988
Hurricane Sandy Fund	-	10,631
2-1-1 Hudson Valley Region	15,614	38,365
Endowment earnings not appropriated	<u>262,142</u>	<u>209,567</u>
Total Purpose or Time Restricted	<u>653,450</u>	<u>660,558</u>
Perpetual in nature		
Permanent endowment, use of income restricted to program	1,167,722	1,167,722
Permanent endowment, with no restriction on the use of income	118,346	118,346
Ruth Taylor Award Fund	<u>293,203</u>	<u>291,034</u>
Total Perpetual in Nature	<u>1,579,271</u>	<u>1,577,102</u>
Total Net Assets with Donor Restrictions	<u>\$ 2,232,721</u>	<u>\$ 2,237,660</u>

Net assets released from restrictions for the years ended June 30 consisted of the following:

	<u>2020</u>	<u>2019</u>
Ruth Taylor Award Fund	\$ 19,500	\$ 14,000
Response Fund	239,333	-
Income initiatives	94,410	61,001
Hurricane Sandy Fund	10,631	-
Future periods	-	76,177
Other	22,751	8,333
Endowment	<u>57,366</u>	<u>55,489</u>
	<u>\$ 443,991</u>	<u>\$ 215,000</u>

**United Way of Westchester and Putnam, Inc.**

Notes to Financial Statements  
June 30, 2020 and 2019

**15. 2-1-1 Hudson Valley Region**

United Way runs the 211 Helpline for the Hudson Valley region, which includes Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster, and Westchester counties. United Way's 211 Helpline has professionally trained information and referral specialists offering health and human services information, referral, assessment and crisis support to help callers find the assistance they need to address the everyday challenges of living, as well as those that develop during times of disaster and other community emergencies. The 211 Helpline is a free, confidential and comprehensive service offered to the community that has enabled government and not-for-profit agencies to realize concrete cost savings as well as increased customer service to residents throughout its service area. Launched in 2000, the 211 Helpline is available 24 hours a day/365 days a year in over 200 languages. The database is also available online at [www.211hudsonvalley.org](http://www.211hudsonvalley.org) and since 2019, texting capabilities are available from 9 a.m. to 5 p.m., Monday – Friday.

In March 2020, the governments of Westchester and Putnam counties designated the 211 Helpline as the public's point of information about the COVID-19 public health crisis. As of June 30, 2020, more than 10,500 COVID related calls were received. The call center, run by United Way and is located in White Plains, NY, answers on average 80,000 calls a year from 24 counties in New York State. 2-1-1 Hudson Valley Region operates as a program of the United Way and is being underwritten by local United Ways, governments and corporate foundations. Texting capabilities were launched on a limited schedule on February 11, 2019.

**16. Essential Goods for Basic Needs Program**

Donated materials and services for the program consisted of the following for the years ended June 30:

	<u>2020</u>	<u>2019</u>
Community service	\$ 2,033,525	\$ 1,505,865
Promotional and marketing expenses	<u>-</u>	<u>175</u>
	<u>\$ 2,033,525</u>	<u>\$ 1,506,040</u>

**17. Other Transactions**

United Way recorded dues expense for the years ended June 30 as follows:

	<u>2020</u>	<u>2019</u>
United Way Worldwide	\$ 61,876	\$ 61,876
United Way of New York State	13,749	15,293
Gifts in Kind International	<u>9,125</u>	<u>7,008</u>
	<u>\$ 84,750</u>	<u>\$ 84,177</u>

**United Way of Westchester and Putnam, Inc.**

Notes to Financial Statements  
June 30, 2020 and 2019

**18. Commitments and Contingencies**

United Way leases certain office equipment under capital lease agreements which extend through fiscal year 2024. Future minimum lease payments at June 30, 2020 are as follows:

2021	\$ 23,392
2022	23,392
2023	23,392
2024	<u>10,150</u>
Minimum Lease Payments	80,326
Less amounts representing interest	<u>(6,112)</u>
Present Value of Minimum Obligations Under Capital Leases	<u>\$ 74,214</u>

The present value of capital lease obligations of \$74,214 and \$88,739 at June 30, 2020 and 2019 is included in other liabilities in the statements of financial position. Rental expense and other equipment expenses were \$7,105 and \$16,731 in fiscal 2020 and 2019.

**19. Emergency Food and Shelter Program**

United Way administers the federally funded Emergency Food and Shelter Program in Westchester and Putnam. Each year, the United States Congress appropriates funds for an emergency food and shelter program which is administered by a national board involving nine major not-for-profit organizations, including the United Way Worldwide. In turn, local emergency food and shelter boards, involving local representatives of the nine organizations, including local United Ways and other local public and community leaders, recommend how local shares of the total appropriation, based on several needs-oriented factors, should be distributed among those local 501(c)(3) agencies requesting emergency funds to expand their capacity to serve the newly hungry and homeless. In fiscal years 2020 and 2019, a total (unaudited) of \$1,006,523 and \$470,859 was granted. Although these are resources managed by United Way, pursuant to U.S. GAAP, the amounts are not included in the statements of activities.

**United Way of Westchester and Putnam, Inc.**

Notes to Financial Statements  
June 30, 2020 and 2019

**20. Administrative Cost Ratio**

United Way calculates its Administrative Cost Ratio as total supporting services expenses divided by total public support and revenue plus certain additional funds raised which are not included in the accompanying financial statements and is reflected below.

	<u>2020</u>	<u>2019</u>
Total public support and revenue as reported in the accompanying Statements of Activities	\$ 5,096,672	\$ 5,308,756
Add:		
Estimated uncollectible receivables	114,960	56,457
Donor designated funds raised on behalf of others	127,223	309,147
Emergency Food and Shelter Program (Note 19)	<u>1,006,523</u>	<u>470,859</u>
Total	<u>\$ 6,345,378</u>	<u>\$ 6,145,219</u>
Supporting Services Expense	<u>\$ 1,291,261</u>	<u>\$ 1,404,794</u>
Administrative Cost Ratio	<u>20.35%</u>	<u>22.86%</u>

**21. COVID-19**

Because the United Way was declared an essential service by the State of New York, the United Way continued to deliver on its mission and maintained full operations during the pandemic. As such, the United Way's building remained open during the months of March through May 2020, but reduced the number of in-office employees as a precautionary measure to limit opportunities for the spread of the COVID-19 virus.

United Way reopened on June 1, 2020 to core United Way functions and on September 21, 2020, all remaining staff returned to the office after changes were made to several work spaces to ensure social distancing protocols and adoption of the Board approved New York Forward COVID-19 Reopening Plan which follows New York State and Center for Disease Control's guidelines. Given the current state of the pandemic as of the date these financial statements were available for issuance, the United Way has again reduced headcount in the office to under 50%. If the outbreak worsens, United Way may experience a disruption in operations, including the possibility of a decline in future contributions. The outbreak may adversely affect United Way on an interim basis and the amount of the impact cannot be reasonably estimated at this time. United Way has, however, taken several steps to strengthen its financial position and to maintain financial liquidity and flexibility. Investment return and the investment impact from COVID-19 was consistent with normal investment fluctuation.

The full duration and extent of the COVID-19 pandemic is uncertain as of the date these financial statements were available for issuance, as the pandemic continues to evolve globally. Therefore, the full extent of any adverse impact on the results of operations, financial position, and cash flows in the 2021 fiscal year and beyond and cannot be reasonably estimated at this time.

\* \* \* \* \*

**Supplemental Information**

**June 30, 2020 and 2019**



**United Way of Westchester and Putnam, Inc.**

Supplemental Information  
For the Year Ended June 30, 2020

Detail is provided on the following pages for select line items from the:

**Statements of Activities (page 4)**

Details related to Campaign Results (page 24)

**Statement of Functional Expenses (page 5)**

Details related to Community Impact (page 25)

**United Way of Westchester and Putnam, Inc.**

**Schedule of Campaign Results  
For the Year Ended June 30, 2020**

Corporate and Employee contributions	\$ 508,388
Local Community Annual Fund Contributions	980,703
Program and operation grants	324,800
State Employees Federated Appeal	324
Westchester County Charitable Contributions Campaign	312
Special Events	104,936
2-1-1 Hudson Valley Region	1,093,295
Ruth Taylor Award Fund	14,518
Legacies and bequests/Term Life	<u>64,698</u>
<b>Total Campaign Funds Raised</b>	<b>3,091,974</b>
<b>Less:</b> Amounts included in reported campaign that are classified differently for financial statement purposes	
Bequests and other public support	(75,667)
Sponsorships included in "Other Income"	<u>(38,176)</u>
<b>Campaign Results, as Reported in the Statement of Activities</b>	<b><u>\$ 2,978,131</u></b>

**United Way of Westchester and Putnam, Inc.**  
**Schedule of Community Impact**  
**Year ended June 30, 2020**

<b>Crisis Response</b>	
COVID-19 Response Grants	\$ 95,000
Emergency Food Distribution	39,762
Direct Support to Individuals	<u>9,500</u>
<b>Total Crisis Response</b>	<b><u>\$ 144,262</u></b>
<b>Essential Goods for Basic Needs Program</b>	
Product Donations: Local and through Good360	<u>\$ 2,034,276</u>
<b>Financial Stability</b>	
Teach Me to Fish Initiative	\$ 60,333
ALICE \$ense	<u>9,433</u>
<b>Total Financial Stability</b>	<b><u>\$ 69,766</u></b>
<b>Education and Student Support Initiatives</b>	
Ruth Taylor Scholarships	\$ 19,500
United 2 Read Program	45,397
Born Learning Initiative	8,881
African American Men of Westchester MLK Scholarship	<u>1,500</u>
<b>Total Education and Student Support Initiatives</b>	<b><u>\$ 75,278</u></b>
<b>Community &amp; Nonprofit Capacity Building Grants and Initiatives</b>	<u>\$ 4,700</u>
<b>Total Community Program Support</b>	<b>\$ 2,328,282</b>
Hudson Valley 2-1-1 HelpLine	1,277,637
<b>Community Impact Program Expenses</b>	<u>540,538</u>
<b>Total Community Impact</b>	<b><u>\$ 4,146,457</u></b>
<b>Donor Designated Funds Raised on Behalf of Others in Westchester &amp; Putnam</b>	<u>\$ 127,223</u>
<b>Emergency Food and Shelter Program*</b>	
Putnam Emergency Food and Shelter Program	\$ 95,198
Westchester Emergency Food and Shelter Program	<u>911,325</u>
<b>Total Emergency Food and Shelter Program*</b>	<b><u>\$ 1,006,523</u></b>

\* United Way administers the federally funded Emergency Food and Shelter Program in Westchester and Putnam.