

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

Financial Statements

June 30, 2021 and 2020



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, 2021 and 2020 and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

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, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our 2021 audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information presented on pages 20 through 22 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.

Stamford, Connecticut
November 17, 2021

United Way of Westchester and Putnam, Inc.

Statements of Financial Position

	June 30,	
	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 1,327,547	\$ 1,258,714
Contributions and contracts receivable, net	595,868	473,399
Other assets	383,537	350,132
Investments	3,113,696	2,650,637
Land, building and equipment, net	<u>214,950</u>	<u>252,012</u>
	<u>\$ 5,635,598</u>	<u>\$ 4,984,894</u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 215,579	\$ 196,775
Due to agencies	345,379	385,675
Notes payable - Paycheck Protection Program	315,467	343,845
Note payable	1,189,255	1,258,019
Other liabilities	<u>67,191</u>	<u>98,026</u>
Total Liabilities	<u>2,132,871</u>	<u>2,282,340</u>
Net Assets		
Without donor restrictions		
Current operations	(202,796)	(535,696)
Land, building and equipment	160,103	177,798
Designated for:		
Program	131,371	81,952
Quasi-endowment	<u>891,260</u>	<u>745,779</u>
Total without donor restrictions	979,938	469,833
With donor restrictions	<u>2,522,789</u>	<u>2,232,721</u>
Total Net Assets	<u>3,502,727</u>	<u>2,702,554</u>
	<u>\$ 5,635,598</u>	<u>\$ 4,984,894</u>

See notes to financial statements

United Way of Westchester and Putnam, Inc.

Statements of Activities

	Year Ended June 30, 2021			Year Ended June 30, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE						
Public Support						
Campaign results	\$ 2,811,838	\$ 191,243	\$ 3,003,081	\$ 2,687,958	\$ 290,173	\$ 2,978,131
Less donor designated funds raised on behalf of others	(128,989)	-	(128,989)	(127,223)	-	(127,223)
Less estimated uncollectible receivables	(8,500)	-	(8,500)	(114,960)	-	(114,960)
Net Campaign Results	2,674,349	191,243	2,865,592	2,445,775	290,173	2,735,948
Gifts in kind	9,621,502	-	9,621,502	2,033,525	-	2,033,525
Bequests and other public support	25,100	15,000	40,100	61,149	14,518	75,667
Total Public Support	12,320,951	206,243	12,527,194	4,540,449	304,691	4,845,140
Revenue						
Investment return	261,835	372,809	634,644	81,164	132,192	213,356
Other income	207,432	50,158	257,590	36,007	2,169	38,176
Grant income - CARES Act	343,845	-	343,845	-	-	-
Total Revenue	813,112	422,967	1,236,079	117,171	134,361	251,532
Net Assets Released from Restrictions	339,142	(339,142)	-	443,991	(443,991)	-
Total Public Support and Revenue	13,473,205	290,068	13,763,273	5,101,611	(4,939)	5,096,672
EXPENSES						
Program Services						
Community impact	10,470,502	-	10,470,502	2,868,820	-	2,868,820
2-1-1 Hudson Valley Region	1,231,451	-	1,231,451	1,277,637	-	1,277,637
Total Program Services	11,701,953	-	11,701,953	4,146,457	-	4,146,457
Supporting Services						
Management and general	873,254	-	873,254	961,869	-	961,869
Fundraising	387,893	-	387,893	329,392	-	329,392
Total Supporting Services	1,261,147	-	1,261,147	1,291,261	-	1,291,261
Total Expenses	12,963,100	-	12,963,100	5,437,718	-	5,437,718
Excess of Public Support and Revenue over Expenses	510,105	290,068	800,173	(336,107)	(4,939)	(341,046)
OTHER CHANGES IN NET ASSETS						
Pension benefit termination and liability adjustment	-	-	-	(194,403)	-	(194,403)
Change in Net Assets	510,105	290,068	800,173	(530,510)	(4,939)	(535,449)
NET ASSETS						
Beginning of year	469,833	2,232,721	2,702,554	1,000,343	2,237,660	3,238,003
End of year	\$ 979,938	\$ 2,522,789	\$ 3,502,727	\$ 469,833	\$ 2,232,721	\$ 2,702,554

See notes to financial statements

Statement of Functional Expenses

Year Ended June 30, 2021

	Program Services			Support Services		Total
	Community Impact	2-1-1 Hudson Valley Region	Total Program	Management and General	Fundraising	
COMMUNITY SUPPORT						
Gifts in kind	\$ 9,621,502	\$ -	\$ 9,621,502	\$ -	\$ -	\$ 9,621,502
Grants and other support to local agencies	315,736	-	315,736	-	-	315,736
Total Community Support	<u>9,937,238</u>	<u>-</u>	<u>9,937,238</u>	<u>-</u>	<u>-</u>	<u>9,975,576</u>
PERSONNEL						
Salaries	282,567	643,625	926,192	455,246	188,378	1,569,816
Employee benefits	76,594	174,463	251,057	123,401	51,062	425,520
Payroll taxes	26,099	59,448	85,547	42,049	17,399	144,995
Total Personnel Costs	<u>385,260</u>	<u>877,536</u>	<u>1,262,796</u>	<u>620,696</u>	<u>256,839</u>	<u>2,140,331</u>
OTHER EXPENSES						
Professional fees and contract services	20,599	44,116	64,715	19,157	644	64,561
Accounting fees	-	-	-	29,075	-	29,075
Office/computer supplies	17,733	54,368	72,101	41,705	17,733	131,539
Telephone	6,722	94,573	101,295	15,782	6,722	123,799
Postage	938	1,127	2,065	2,202	938	5,205
Occupancy costs	15,746	65,007	80,753	26,995	11,247	118,995
Promotional and marketing	44,154	21,636	65,790	533	70,694	137,017
Local transportation	19,998	40	20,038	545	22	2,222
Conferences, conventions and meetings	290	-	290	5,030	-	5,320
Equipment rentals	-	26,148	26,148	2,570	-	28,718
Bonding and officers' insurance	-	-	-	14,816	-	14,816
Miscellaneous	1,334	7,779	9,113	24,348	2,501	35,962
Interest expense	-	-	-	52,287	-	52,287
National and State United Way dues	15,154	20,310	35,464	9,091	16,060	60,615
Total Other Expenses	<u>142,668</u>	<u>335,104</u>	<u>477,772</u>	<u>244,136</u>	<u>126,561</u>	<u>810,131</u>
Depreciation	5,336	18,811	24,147	8,422	4,493	37,062
Total Expenses	<u>\$ 10,470,502</u>	<u>\$ 1,231,451</u>	<u>\$ 11,701,953</u>	<u>\$ 873,254</u>	<u>\$ 387,893</u>	<u>\$ 12,963,100</u>

See notes to financial statements

United Way of Westchester and Putnam, Inc.

Statement of Functional Expenses

Year Ended June 30, 2020

	Program Services			Support Services		
	Community Impact	2-1-1 Hudson Valley Region	Total Program	Management and General	Fundraising	Total
COMMUNITY SUPPORT						
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>
PERSONNEL						
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>
OTHER EXPENSES						
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	171,064	317,426	488,490	332,285	110,666	931,441
Depreciation	5,470	18,084	23,554	8,637	4,606	36,797
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.

Statements of Cash Flows

	Years Ended June 30,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 800,173	\$ (535,449)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	37,062	36,797
Paycheck Protection Program note forgiven	(343,845)	-
Provision for uncollectible receivables	4,663	(50,000)
Realized and unrealized gain on investments	(572,285)	(155,906)
Pension liability adjustment	-	194,403
Change in operating assets and liabilities		
Contributions and contracts receivable	(127,132)	117,771
Other assets	(33,405)	99,174
Accounts payable and accrued expenses	18,804	(12,051)
Due to agencies	(40,296)	9,918
Pension benefit asset (liability)	-	86,433
Other liabilities	(11,468)	4,329
Net Cash from Operating Activities	(267,729)	(204,581)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of furniture, fixtures and equipment	-	(14,889)
Purchases of investments	(118,757)	(57,442)
Proceeds from sale of investments	227,983	170,000
Net Cash from Investing Activities	109,226	97,669
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of bank loans	(68,764)	(65,981)
Payments on capital lease obligations	(19,367)	(14,525)
Proceeds from bank loans	315,467	343,845
Net Cash from Financing Activities	227,336	263,339
Net Change in Cash and Cash Equivalents	68,833	156,427
CASH AND CASH EQUIVALENTS		
Beginning of year	1,258,714	1,102,287
End of year	\$ 1,327,547	\$ 1,258,714
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	\$ 52,287	\$ 54,063

See notes to financial statements

United Way of Westchester and Putnam, Inc.

Notes to Financial Statements
June 30, 2021 and 2020

1. The Organization

United Way of Westchester and Putnam, Inc. (“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 of those in the community who live in poverty or paycheck to paycheck. United Way provides strategic resources and tools to help struggling residents lead better, more stable lives. These include United Way’s 2-1-1 Helpline operating 24/7 across the Hudson Valley, our Ride United program that delivers food to homes to overcome transportation barriers, 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, provides affordable professional development, and connects nonprofits to new resources that positively impact hundreds of thousands of individuals every year.

While United Way played an instrumental role in responding to the COVID-19 crisis this year, it was not immune to its impact from an operational perspective. In-person events had to be held virtually, except for the annual golf outing, which caused the organization to lose needed operating funds. At the same time, the organization reduced expenses and secured a Paycheck Protection Program loan (“PPP Loan”) in the amount of approximately \$315,000 to help maintain operations. United Way also provided additional support to the community using donor-restricted endowment funds. The organization was granted loan forgiveness in October 2021 which will be reflected as income in the next fiscal year.

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”).

Adoption of New Accounting Policies: Revenue from Contracts with Customers

Effective July 1, 2020, the United Way adopted Accounting Standards Update (“ASU”) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The core guidance in ASU No. 2014-09 is to recognize revenue to depict the transfer of services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those services. The effects of applying ASU 2014-09 had no impact on the way United Way was recognizing revenue and therefore, no adjustment was made to the financial statements as previously reported.

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, 2021 and 2020

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 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. 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, 2021 and 2020

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 \$27.20 and \$25.43 per hour in 2021 and 2020. Utilizing this calculation, United Way of Westchester and Putnam, Inc. has determined that \$199,001 and \$119,648 was contributed in service time to the United Way for the years ended June 30, 2021 and 2020, 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, 2021 and 2020

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.

United Way of Westchester and Putnam, Inc.

Notes to Financial Statements
June 30, 2021 and 2020

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 November 17, 2021.

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>2021</u>	<u>2020</u>
Contributions receivable	\$ 198,942	\$ 289,215
Contracts receivable	494,589	277,184
Less allowance for uncollectible receivables	<u>(97,663)</u>	<u>(93,000)</u>
	<u>\$ 595,868</u>	<u>\$ 473,399</u>

5. Investments and Investment Return

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

	<u>2021</u>	<u>2020</u>
Level 1 Inputs		
Large blend equity mutual fund *	\$ 2,019,696	\$ 1,531,940
Intermediate bond index mutual fund *	<u>1,094,000</u>	<u>1,118,697</u>
Total Investments	<u>\$ 3,113,696</u>	<u>\$ 2,650,637</u>

* - represents a single investment

United Way of Westchester and Putnam, Inc.

Notes to Financial Statements
June 30, 2021 and 2020

5. Investments and Investment Return *(continued)*

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

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 62,359	\$ 57,450
Realized gain on investments	202,496	141,067
Unrealized appreciation on investments	<u>369,789</u>	<u>14,839</u>
	<u>\$ 634,644</u>	<u>\$ 213,356</u>

6. Land, Building and Equipment

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

	<u>2021</u>	<u>2020</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>682,738</u>
	1,912,214	1,912,214
Less accumulated depreciation	<u>(1,697,264)</u>	<u>(1,660,202)</u>
	<u>\$ 214,950</u>	<u>\$ 252,012</u>

Assets under capital lease as of June 30, 2021 and 2020 had a cost of \$105,433 with accumulated amortization of \$59,751 and \$38,662 at June 30, 2021 and 2020.

7. Other Assets

Other assets consisted of the following as of June 30:

	<u>2021</u>	<u>2020</u>
Beneficial interest in trust	\$ 343,362	\$ 293,203
Cash surrender value of life insurance policy	37,451	36,684
Other receivables	325	15,323
Prepaid expenses	<u>2,399</u>	<u>4,922</u>
	<u>\$ 383,537</u>	<u>\$ 350,132</u>

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.

United Way of Westchester and Putnam, Inc.

Notes to Financial Statements
June 30, 2021 and 2020

7. Other Assets (continued)

The following is a summary of the changes in the balance of the beneficial interest in the trust for the years ended June, 30:

	<u>2021</u>	<u>2020</u>
Balance at July 1	\$ 293,203	\$ 291,034
Change in fair value of investments	65,159	16,687
Distribution from Trust	<u>(15,000)</u>	<u>(14,518)</u>
Balance at June 30	<u>\$ 343,362</u>	<u>\$ 293,203</u>

8. Notes Payable - Paycheck Protection Program

On April 13, 2020, United Way received loan proceeds in the amount of \$343,845 under the Paycheck Protection Program ("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 was forgiven in January 2021 and is recognized as grant income in the statement of activities. On January 27, 2021, United Way received a second PPP loan in the amount of \$315,467. 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 forgiven during the year ending June 30, 2022. The unforgiven portion of the PPP Loan is payable over five years at an interest rate of one percent with a deferral of payments for the first fifteen 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 \$1,189,255 and \$1,258,019 at June 30, 2021 and 2020 and is secured by an interest in the building. There were no outstanding borrowings on the line of credit as of June 30, 2021 and 2020. Interest expense incurred was \$48,262 and \$51,044 in fiscal 2021 and 2020.

Future payments at June 30, 2021 are payable as follows:

2022	\$ 71,518
2023	74,383
2024	77,254
2025	80,457
2026	83,679
Thereafter	<u>801,964</u>
	<u>\$ 1,189,255</u>

United Way of Westchester and Putnam, Inc.

Notes to Financial Statements
June 30, 2021 and 2020

10. 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 \$90,563 and \$96,345 for the years ended June 30, 2021 and 2020.

11. 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 12, 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 \$891,260. 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>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,327,547	\$ 1,258,714
Contributions and contracts receivable	595,868	473,399
Investments	3,113,696	2,650,637
Beneficial interest in trust	<u>343,362</u>	<u>293,203</u>
Financial assets available as of year end	5,380,473	4,675,953
Less amount unavailable for general expenditures due to:		
Perpetual in nature	(1,629,429)	(1,579,271)
Subject to donor purpose restrictions	(893,360)	(653,450)
Board-designated quasi-endowment	(891,260)	(745,779)
Plus amount available for general expenditures due to:		
Appropriation from endowment for general expenditures in subsequent year	<u>112,000</u>	<u>103,000</u>
Financial assets as of year end available to meet cash needs for general expenditures within one year	<u>\$ 2,078,424</u>	<u>\$ 1,800,453</u>

United Way of Westchester and Putnam, Inc.

Notes to Financial Statements
June 30, 2021 and 2020

12. 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, 2021 and 2020 is summarized as follows:

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</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	745,779	1,548,210	2,293,989
Contributions	56,398	-	56,398
Transfers, net	(123,500)	-	(123,500)
Investment return	261,836	330,250	592,086
Appropriation for expenditures	<u>(49,253)</u>	<u>(139,123)</u>	<u>(188,376)</u>
Balance, June 30, 2021	<u>\$ 891,260</u>	<u>\$ 1,739,337</u>	<u>\$ 2,630,597</u>

United Way of Westchester and Putnam, Inc.

Notes to Financial Statements
June 30, 2021 and 2020

13. Net Assets With Donor Restrictions

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

	<u>2021</u>	<u>2020</u>
Subject to a specific purpose or time		
Ruth Taylor Award Fund	\$ 43,887	\$ 42,888
Holland Scholarship Fund	55,411	63,147
Response Fund	139,135	39,840
Income initiatives	77,348	95,000
Bendheim Community Disaster Recovery Fund	112,626	108,831
Westchester Disaster Recovery Fund	-	25,988
2-1-1 Hudson Valley Region	11,683	15,614
Endowment earnings not appropriated	<u>453,269</u>	<u>262,142</u>
Total Purpose or Time Restricted	<u>893,359</u>	<u>653,450</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>343,362</u>	<u>293,203</u>
Total Perpetual in Nature	<u>1,629,430</u>	<u>1,579,271</u>
Total Net Assets with Donor Restrictions	<u>\$ 2,522,789</u>	<u>\$ 2,232,721</u>

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

	<u>2021</u>	<u>2020</u>
Ruth Taylor Award Fund	\$ 14,000	\$ 19,500
Holland Scholarship Fund	21,000	15,000
Response Fund	22,055	164,333
Income initiatives	87,545	94,410
Bendheim Community Disaster Recovery Fund	25,500	50,000
Westchester Disaster Recovery Fund	25,988	-
Endowment earnings appropriated for community initiatives	77,000	-
Hurricane Sandy Fund	-	10,631
Other	3,931	22,751
Endowment	<u>62,123</u>	<u>67,366</u>
	<u>\$ 339,142</u>	<u>\$ 443,991</u>

United Way of Westchester and Putnam, Inc.

Notes to Financial Statements
June 30, 2021 and 2020

14. 2-1-1 Hudson Valley Region

United Way runs the 2-1-1 Helpline for the Hudson Valley region, which includes Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster, and Westchester counties. United Way also contracted with the United Ways in the Long Island, Capital, and Adirondack regions to provide call center services in support of their 2-1-1 efforts. United Way's 2-1-1 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 2-1-1 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 2004, the 2-1-1 Helpline is available 24 hours a day/ 365 days a year in over 200 languages. The 2-1-1 Helpline maintains a resource database comprised of 3,000 agencies and 19,000 services. This database is organized according to the Alliance of Information and Referral Systems problems and needs categories and includes resource listings for services that range from childcare to food pantries; shelters to specialized services for veterans and military families; and mental health to transportation. The database is also available online at www.211hudsonvalley.org and texting capabilities are available from 9 a.m. to 5 p.m., Monday – Friday. Texting offers options for those less likely to want to make a phone call and is particularly helpful in sending outgoing messages – to confirm tax appointments, COVID-19 vaccination information, and to register individuals for meals programs, etc.

The call center, run by United Way and located in White Plains, NY, answered over 113,000 calls during 2020 from 24 counties in New York State. 2-1-1 Hudson Valley Region operates as a program of the United Way and is underwritten by local United Ways, governments, and corporate foundations. 2-1-1 Hudson Valley establishes and maintains relationships with key local stakeholders to expand the use of 2-1-1 in addressing critical human service and crisis needs. 2-1-1 Hudson Valley helpline partnered with state and local government agencies to address COVID, rent/housing, and food insecurity. New partnerships were also created to assist with the Emergency Rental Assistance Program (ERAP) and the Excluded Worker Fund (EWF).

15. Essential Goods for Basic Needs Program

Donated goods for the program were \$9,621,502 and \$2,033,525 for the years ended June 30, 2021 and 2020.

16. Other Transactions

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

	2021	2020
United Way Worldwide	\$ 49,992	\$ 61,876
United Way of New York State	10,623	13,749
Gifts in Kind International	-	9,125
	<u>\$ 60,615</u>	<u>\$ 84,750</u>

United Way of Westchester and Putnam, Inc.

Notes to Financial Statements
June 30, 2021 and 2020

17. 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, 2021 are as follows:

2022	\$ 23,392
2023	23,392
2024	<u>11,248</u>
Minimum Lease Payments	58,032
Less amounts representing interest	<u>(3,185)</u>
Present Value of Minimum Obligations Under Capital Leases	<u>\$ 54,847</u>

The present value of capital lease obligations of \$54,847 and \$74,214 at June 30, 2021 and 2020 is included in other liabilities in the statements of financial position. Rental expense and other equipment expenses were \$7,767 and \$7,105 in fiscal 2021 and 2020.

18. 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 2021 and 2020, a total (unaudited) of \$647,092 and \$1,006,523 were 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, 2021 and 2020

19. 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>2021</u>	<u>2020</u>
Total public support and revenue as reported in the accompanying Statements of Activities	\$ 13,763,273	\$ 5,096,672
Add:		
Estimated uncollectible receivables	8,500	114,960
Donor designated funds raised on behalf of others	<u>128,989</u>	<u>127,223</u>
Total	<u>\$ 13,900,762</u>	<u>\$ 5,338,855</u>
Supporting Services Expense	<u>\$ 1,261,147</u>	<u>\$ 1,291,261</u>
Administrative Cost Ratio	<u>9.07%</u>	<u>24.19%</u>

20. Risks and Contingencies

United Way's financial position, operations, cash flows and financial performance may be affected by the ongoing coronavirus pandemic which has spread globally and is expected to adversely affect economic conditions throughout the world. If the outbreak continues and conditions worsen, United Way may experience a disruption in operations as well as a decline in support and revenues.

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Supplemental Information

June 30, 2021 and 2020

United Way of Westchester and Putnam, Inc.

Supplemental Information
For the Year Ended June 30, 2021

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

Statements of Activities (page 4)

Details related to Campaign Results (page 22)

Statement of Functional Expenses (page 5)

Details related to Community Impact (page 23)

United Way of Westchester and Putnam, Inc.

Schedule of Campaign Results
Year Ended June 30, 2021

Corporate and Employee Contributions	\$ 431,734
Local Community Annual Fund Contributions	951,742
Program and Operation Grants	370,033
Special Events	372,100
2-1-1 Hudson Valley Region	1,160,162
Ruth Taylor Award Fund	<u>15,000</u>
Total Campaign Funds Raised	3,300,771
Less: Amounts included in reported campaign that are classified differently for financial statement purposes	
Bequests and Other Public Support	(40,100)
Other Income	<u>(257,590)</u>
Campaign Results, as Reported in the Statement of Activities	<u>\$ 3,003,081</u>

United Way of Westchester and Putnam, Inc.
 Schedule of Community Impact
 Year Ended June 30, 2021

<u>Essential Goods for Basic Needs Program</u>	<u>\$ 9,621,502</u>
Corporate Product Donations	
<u>Grants and Other Support to Local Agencies</u>	
<u>Crisis Response & Recovery</u>	<u>\$ 145,254</u>
Crisis Response Grants	
Putnam Emergency Food Distribution	
Ride United Last Mile Home Delivery	
Ride United Vaccine Transportation Access	
<u>Financial Stability</u>	<u>18,540</u>
ALICE \$ense	
Tax Preparation Assistance	
Teach Me to Fish	
<u>Social Justice Initiatives</u>	<u>20,678</u>
Center for Racial Equity Grant	
Civic Participation Outreach	
Nonprofit Leadership Summit 2020	
Social Justice Journeys	
21-Day Racial Equity & Social Justice Challenge	
<u>Education and Student Support Initiatives</u>	<u>76,461</u>
African American Men of Westchester MLK Scholarship	
Education United	
Ruth Taylor Scholarships	
United 2 Read Program	
<u>Community & Nonprofit Capacity Building Grants and Initiatives</u>	<u>54,803</u>
Capacity Building Grants	
Nonprofit Leadership Summit 2021	
Total Grants and Other Support to Local Agencies	<u>\$ 315,736</u>
<u>Community Impact Program Expenses</u>	
Includes staff time used to drive the impact of the programs	
	<u>\$ 533,264</u>
<u>Total Community Impact</u>	<u>\$ 10,470,502</u>
<u>2-1-1 Helpline Hudson Valley Region</u>	<u>1,231,451</u>
<u>Total Community Program Support</u>	<u>\$ 11,701,953</u>
<u>Donor Designated Funds</u>	<u>128,989</u>
Raised on Behalf of Others in Westchester & Putnam	
<u>Emergency Food and Shelter Program*</u>	<u>647,092</u>
<u>Total Community Investment and Leveraged Support</u>	<u>\$ 12,478,034</u>

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

See Independent Auditors' Report