

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

Financial Statements

June 30, 2022 and 2021



Independent Auditors' Report

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

Opinion

We have audited the accompanying financial statements of United Way of Westchester and Putnam, Inc. ("United Way"), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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Auditors' Responsibilities for the Audit of the Financial Statements (*continued*)

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of United Way's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our 2022 audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information presented on pages 21 through 23 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
November 16, 2022

United Way of Westchester and Putnam, Inc.

Statements of Financial Position

	June 30,	
	2022	2021
ASSETS		
Cash and cash equivalents	\$ 1,639,695	\$ 1,327,547
Contributions and contracts receivable, net	711,708	595,868
Other assets	351,459	383,537
Investments	2,351,701	3,113,696
Land, building and equipment, net	252,108	214,950
	\$ 5,306,671	\$ 5,635,598
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 134,258	\$ 215,579
Due to agencies	345,379	345,379
Notes payable - Paycheck Protection Program	-	315,467
Note payable	1,015,760	1,189,255
Other liabilities	26,723	67,191
Total Liabilities	1,522,120	2,132,871
Net Assets		
Without donor restrictions		
Current operations	800,175	(202,796)
Land, building and equipment	216,627	160,103
Designated for:		
Program	139,807	131,371
Quasi-endowment	665,313	891,260
Total without donor restrictions	1,821,922	979,938
With donor restrictions	1,962,629	2,522,789
Total Net Assets	3,784,551	3,502,727
	\$ 5,306,671	\$ 5,635,598

See notes to financial statements

United Way of Westchester and Putnam, Inc.

Statements of Activities

	Year Ended June 30, 2022			Year Ended June 30, 2021		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE						
Public Support						
Campaign results	\$ 3,325,395	\$ 334,476	\$ 3,659,871	\$ 2,811,838	\$ 191,243	\$ 3,003,081
Less donor designated funds raised on behalf of others	(7,790)	-	(7,790)	(128,989)	-	(128,989)
Less estimated uncollectible receivables	(15,800)	-	(15,800)	(8,500)	-	(8,500)
Net Campaign Results	3,301,805	334,476	3,636,281	2,674,349	191,243	2,865,592
Gifts in kind	5,972,280	-	5,972,280	9,621,502	-	9,621,502
Bequests and other public support	34,495	16,133	50,628	25,100	15,000	40,100
Total Public Support	<u>9,308,580</u>	<u>350,609</u>	<u>9,659,189</u>	<u>12,320,951</u>	<u>206,243</u>	<u>12,527,194</u>
Revenue						
Investment (loss) return	(157,313)	(123,711)	(281,024)	261,835	372,809	634,644
Other income	168,879	(51,957)	116,922	207,432	50,158	257,590
Grant income - CARES Act	315,467	-	315,467	343,845	-	343,845
Total Revenue	<u>327,033</u>	<u>(175,668)</u>	<u>151,365</u>	<u>813,112</u>	<u>422,967</u>	<u>1,236,079</u>
Net Assets Released from Restrictions	<u>735,101</u>	<u>(735,101)</u>	<u>-</u>	<u>339,142</u>	<u>(339,142)</u>	<u>-</u>
Total Public Support and Revenue	<u>10,370,714</u>	<u>(560,160)</u>	<u>9,810,554</u>	<u>13,473,205</u>	<u>290,068</u>	<u>- 13,763,273</u>
EXPENSES						
Program Services						
Community impact	7,135,412	-	7,135,412	10,470,502	-	10,470,502
2-1-1 Helpline	1,225,259	-	1,225,259	1,231,451	-	1,231,451
Total Program Services	<u>8,360,671</u>	<u>-</u>	<u>8,360,671</u>	<u>11,701,953</u>	<u>-</u>	<u>11,701,953</u>
Supporting Services						
Management and general	569,357	-	569,357	873,254	-	873,254
Fundraising	598,702	-	598,702	387,893	-	387,893
Total Supporting Services	<u>1,168,059</u>	<u>-</u>	<u>1,168,059</u>	<u>1,261,147</u>	<u>-</u>	<u>1,261,147</u>
Total Expenses	<u>9,528,730</u>	<u>-</u>	<u>9,528,730</u>	<u>12,963,100</u>	<u>-</u>	<u>12,963,100</u>
Change in Net Assets	841,984	(560,160)	281,824	510,105	290,068	800,173
NET ASSETS						
Beginning of year	<u>979,938</u>	<u>2,522,789</u>	<u>3,502,727</u>	<u>469,833</u>	<u>2,232,721</u>	<u>2,702,554</u>
End of year	<u>\$ 1,821,922</u>	<u>\$ 1,962,629</u>	<u>\$ 3,784,551</u>	<u>\$ 979,938</u>	<u>\$ 2,522,789</u>	<u>\$ 3,502,727</u>

See notes to financial statements

United Way of Westchester and Putnam, Inc.

Statement of Functional Expenses

Year Ended June 30, 2022

	Program Services			Support Services		
	Community Impact	2-1-1 Helpline	Total Program	Management and General	Fundraising	Total
COMMUNITY SUPPORT						
Gifts in kind	\$ 5,972,280	\$ -	\$ 5,972,280	\$ -	\$ -	\$ 5,972,280
Grants and other support to local agencies	485,799	-	485,799	-	-	485,799
Total Community Support	<u>6,458,079</u>	<u>-</u>	<u>6,458,079</u>	<u>-</u>	<u>-</u>	<u>6,458,079</u>
PERSONNEL						
Salaries	397,586	652,041	1,049,627	254,455	286,262	1,590,344
Employee benefits	86,411	165,962	252,373	37,805	46,806	336,984
Payroll taxes	<u>48,099</u>	<u>57,969</u>	<u>106,068</u>	<u>21,043</u>	<u>26,054</u>	<u>153,165</u>
Total Personnel Costs	<u>532,096</u>	<u>875,972</u>	<u>1,408,068</u>	<u>313,303</u>	<u>359,122</u>	<u>2,080,493</u>
OTHER EXPENSES						
Professional fees and contract services	28,434	86,325	114,759	58,727	15,287	188,773
Accounting fees	-	-	-	35,275	-	35,275
Office/computer supplies	27,680	42,409	70,089	12,110	14,993	97,192
Telephone	11,051	60,696	71,747	4,834	5,986	82,567
Postage	2,760	965	3,725	1,207	1,495	6,427
Occupancy costs	17,451	74,872	92,323	29,915	12,465	134,703
Promotional and marketing	39,283	6,821	46,104	341	173,474	219,919
Local transportation	1,025	770	1,795	876	671	3,342
Conferences, conventions and meetings	-	562	562	3,318	-	3,880
Equipment rentals	-	34,170	34,170	2,281	-	36,451
Bonding and officers' insurance	-	-	-	14,816	-	14,816
Miscellaneous	651	4,769	5,420	26,709	283	32,412
Interest expense	-	-	-	47,555	-	47,555
National and State United Way dues	<u>8,781</u>	<u>12,986</u>	<u>21,767</u>	<u>5,268</u>	<u>8,087</u>	<u>35,122</u>
Total Other Expenses	137,116	325,345	462,461	243,232	232,741	938,434
Depreciation	<u>8,121</u>	<u>23,942</u>	<u>32,063</u>	<u>12,822</u>	<u>6,839</u>	<u>51,724</u>
Total Expenses	<u>\$ 7,135,412</u>	<u>\$ 1,225,259</u>	<u>\$ 8,360,671</u>	<u>\$ 569,357</u>	<u>\$ 598,702</u>	<u>\$ 9,528,730</u>

See notes to financial statements

United Way of Westchester and Putnam, Inc.

Statement of Functional Expenses

Year Ended June 30, 2021

	Program Services			Support Services		
	Community Impact	2-1-1 Helpline	Total Program	Management and General	Fundraising	Total
COMMUNITY SUPPORT						
Gifts in kind	\$ 9,621,502	\$ -	\$ 9,621,502	\$ -	\$ -	\$ 9,621,502
Grants to local agencies	315,736	-	315,736	-	-	315,736
Total Community Support	9,937,238	-	9,937,238	-	-	9,937,238
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	385,260	877,536	1,262,796	620,696	256,839	2,140,331
OTHER EXPENSES						
Professional fees and contract services	20,599	44,116	64,715	19,157	644	84,516
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	20,605
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	142,668	335,104	477,772	244,136	126,561	848,469
Depreciation	5,336	18,811	24,147	8,422	4,493	37,062
Total Expenses	\$ 10,470,502	\$ 1,231,451	\$ 11,701,953	\$ 873,254	\$ 387,893	\$ 12,963,100

See notes to financial statements

United Way of Westchester and Putnam, Inc.

Statements of Cash Flows

	Years Ended June 30,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 281,824	\$ 800,173
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	51,724	37,062
Provision for uncollectible receivables	18,747	4,663
Realized and unrealized loss (gain) on investments	338,407	(572,285)
Change in operating assets and liabilities		
Contributions and contracts receivable	(134,587)	(127,132)
Other assets	32,078	(33,405)
Accounts payable and accrued expenses	(81,321)	18,804
Due to agencies	-	(40,296)
Paycheck Protection Program note forgiven	(315,467)	(343,845)
Other liabilities	(21,102)	(11,468)
Net Cash from Operating Activities	170,303	(267,729)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of furniture, fixtures and equipment	(88,882)	-
Purchases of investments	(57,383)	(118,757)
Proceeds from sale of investments	480,971	227,983
Net Cash from Investing Activities	334,706	109,226
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of bank loans	(173,495)	(68,764)
Payments on capital lease obligations	(19,366)	(19,367)
Proceeds from bank loans	-	315,467
Net Cash from Financing Activities	(192,861)	227,336
Net Change in Cash and Cash Equivalents	312,148	68,833
CASH AND CASH EQUIVALENTS		
Beginning of year	1,327,547	1,258,714
End of year	\$ 1,639,695	\$ 1,327,547
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	\$ 47,555	\$ 52,287

See notes to financial statements

United Way of Westchester and Putnam, Inc.

Notes to Financial Statements
June 30, 2022 and 2021

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 mobilizes strategic partnerships and leverages resources to create a more equitable community by advancing education, financial stability, and health initiatives. 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 and provides free rides to needed services 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.

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”).

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.

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, 2022 and 2021

2. Significant Accounting Policies (continued)

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).

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.

United Way of Westchester and Putnam, Inc.

Notes to Financial Statements
June 30, 2022 and 2021

2. Significant Accounting Policies *(continued)*

Public Support (continued)

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 \$29.95 and \$27.20 per hour in 2022 and 2021. Utilizing this calculation, United Way of Westchester and Putnam, Inc. has determined that \$266,450 and \$199,000 was contributed in service time to the United Way for the years ended June 30, 2022 and 2021, none of which is reflected in the accompanying financial statements because they do not meet the requirements for recognition.

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".

United Way of Westchester and Putnam, Inc.

Notes to Financial Statements
June 30, 2022 and 2021

2. Significant Accounting Policies (continued)

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 assets 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 asset retirement 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.

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 16, 2022.

United Way of Westchester and Putnam, Inc.

Notes to Financial Statements
June 30, 2022 and 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>2022</u>	<u>2021</u>
Contributions receivable	\$ 232,284	\$ 198,942
Contracts receivable	595,834	494,589
Less allowance for uncollectible receivables	<u>(116,410)</u>	<u>(97,663)</u>
	<u>\$ 711,708</u>	<u>\$ 595,868</u>

5. Investments and Investment Return

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

	<u>2022</u>	<u>2021</u>
Level 1 Inputs		
Large blend equity mutual fund *	\$ 1,378,322	\$ 2,019,696
Intermediate bond index mutual fund *	<u>973,379</u>	<u>1,094,000</u>
Total Investments	<u>\$ 2,351,701</u>	<u>\$ 3,113,696</u>

* - represents a single investment

Investment (loss) return for the years ended June 30 consist of the following:

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 57,383	\$ 62,359
Realized gain on investments	259,101	202,496
Unrealized (depreciation) appreciation on investments	<u>(597,508)</u>	<u>369,789</u>
	<u>\$ (281,024)</u>	<u>\$ 634,644</u>

United Way of Westchester and Putnam, Inc.

Notes to Financial Statements
June 30, 2022 and 2021

6. Land, Building and Equipment

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

	<u>2022</u>	<u>2021</u>
Land	\$ 100,000	\$ 100,000
Building	306,128	306,128
Building improvements	832,170	823,348
Furniture, fixtures, and equipment	<u>762,798</u>	<u>682,738</u>
	2,001,096	1,912,214
Less accumulated depreciation	<u>(1,748,988)</u>	<u>(1,697,264)</u>
	<u>\$ 252,108</u>	<u>\$ 214,950</u>

Assets under capital lease as of June 30, 2022 and 2021 had a cost of \$105,433 with accumulated amortization of \$80,840 and \$59,751 at June 30, 2022 and 2021.

7. Other Assets

Other assets consisted of the following as of June 30:

	<u>2022</u>	<u>2021</u>
Beneficial interest in trust	\$ 291,405	\$ 343,362
Cash surrender value of life insurance policy	40,035	37,451
Prepaid expenses and other receivables	<u>20,019</u>	<u>2,724</u>
	<u>\$ 351,459</u>	<u>\$ 383,537</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. Changes in the value of the Trust are included in other income on the accompanying statements of activities.

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

Balance at July 1	\$ 343,362	\$ 293,203
Change in fair value of investments	(32,824)	65,159
Distribution from Trust	<u>(19,133)</u>	<u>(15,000)</u>
Balance at June 30	<u>\$ 291,405</u>	<u>\$ 343,362</u>

United Way of Westchester and Putnam, Inc.

Notes to Financial Statements
June 30, 2022 and 2021

8. Notes Payable - Paycheck Protection Program

For recognition purposes relative to borrowings under the Paycheck Protection Program (“PPP Loan”) and recognition of revenue related to such PPP loans, the United Way elected to analogize to International Accounting Standards (“IAS”) 20 - *Accounting for Government Grants and Disclosure of Government Assistance*. On April 13, 2020, United Way applied for and a received in the amount of \$343,845. The PPP loan was forgiven in January 2021 and recognized in the year ended June 30, 2021 as grant income in the statement of activities in accordance with U.S. GAAP. On January 27, 2021, United Way received a second PPP loan in the amount of \$315,467. On October 19, 2021, the second PPP loan was forgiven and is recognized as grant income in the year ended June 30, 2022.

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 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. In December 2021, United Way paid \$100,000 to reduce the principal and interest. The mortgage payable totals \$1,015,760 and \$1,189,255 at June 30, 2022 and 2021 and is secured by an interest in the building. There were no outstanding borrowings on the line of credit as of June 30, 2022 and 2021. Interest expense incurred was \$43,530 and \$48,262 in fiscal 2022 and 2021.

Future payments at June 30, 2022 are payable as follows:

2023	\$ 62,165
2024	70,839
2025	73,775
2026	76,731
2027	76,731
Thereafter	<u>655,519</u>
	<u>\$ 1,015,760</u>

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 \$95,841 and \$90,563 for the years ended June 30, 2022 and 2021.

United Way of Westchester and Putnam, Inc.

Notes to Financial Statements
June 30, 2022 and 2021

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 \$665,313 and \$891,260 at June 30, 2022 and 2021. 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>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 1,639,695	\$ 1,327,547
Contributions and contracts receivable	711,708	595,868
Investments	2,351,701	3,113,696
Beneficial interest in trust	<u>291,405</u>	<u>343,362</u>
Financial assets available as of year end	4,994,509	5,380,473
Less amount unavailable for general expenditures due to:		
Perpetual in nature	(1,577,473)	(1,629,430)
Subject to donor purpose restrictions	(385,156)	(893,359)
Board-designated quasi-endowment	(665,313)	(891,260)
Plus amount available for general expenditures due to:		
Appropriation from endowment for general expenditures in subsequent year	<u>107,000</u>	<u>112,000</u>
Financial assets as of year end available to meet cash needs for general expenditures within one year	<u>\$ 2,473,567</u>	<u>\$ 2,078,424</u>

United Way of Westchester and Putnam, Inc.

Notes to Financial Statements
June 30, 2022 and 2021

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. In addition to the 2022 budgeted appropriations, additional support was approved to reduce debt, provide additional grants to the community and office renovations.

Activity in funds held for long-term investment for the years ended June 30, 2022 and 2021 is summarized as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</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	891,260	1,739,337	2,630,597
Investment return	(177,255)	(103,769)	(281,024)
Appropriation for expenditures	<u>(48,692)</u>	<u>(432,748)</u>	<u>(481,440)</u>
Balance, June 30, 2022	<u>\$ 665,313</u>	<u>\$ 1,202,820</u>	<u>\$ 1,868,133</u>

United Way of Westchester and Putnam, Inc.

Notes to Financial Statements
June 30, 2022 and 2021

13. Net Assets With Donor Restrictions

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

	<u>2022</u>	<u>2021</u>
Subject to a specific purpose or time		
Ruth Taylor Award Fund	\$ 51,020	\$ 43,887
Holland Scholarship Fund	49,422	55,411
Response Fund	184,230	139,135
Income initiatives	18,559	77,348
Bendheim Community Disaster Recovery Fund	74,173	112,626
2-1-1 Helpline	7,752	11,683
Endowment earnings not appropriated	-	453,269
Total Purpose or Time Restricted	<u>385,156</u>	<u>893,359</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>291,405</u>	<u>343,362</u>
Total Perpetual in Nature	<u>1,577,473</u>	<u>1,629,430</u>
Total Net Assets with Donor Restrictions	<u>\$ 1,962,629</u>	<u>\$ 2,522,789</u>

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

	<u>2022</u>	<u>2021</u>
Ruth Taylor Award Fund	\$ 9,000	\$ 14,000
Holland Scholarship Fund	-	21,000
Response Fund	192,521	22,055
Income initiatives	155,649	87,545
Bendheim Community Disaster Recovery Fund	24,500	25,500
Westchester Disaster Recovery Fund	-	25,988
Endowment earnings appropriated for community initiatives	119,500	77,000
Endowment earnings appropriated for operations	230,000	-
2-1-1 Helpline	3,931	3,931
Endowment	-	62,123
	<u>\$ 735,101</u>	<u>\$ 339,142</u>

United Way of Westchester and Putnam, Inc.

Notes to Financial Statements
June 30, 2022 and 2021

14. 2-1-1 Helpline

United Way runs the 211 Helpline for the Hudson Valley region, which includes Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster, and Westchester counties. It also runs the 211 Helpline for the Long Island region, which includes Nassau and Suffolk counties. United Way also contracted with the United Way's in the Adirondack region to provide call center services in support of their 211 efforts. 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 2004, the 211 Helpline is available 24 hours a day/ 365 days a year in over two hundred languages. United Way's 211 Helpline is an AIRS (Alliance of Information and Referral Systems) Call Center, and the 211 Helpline maintains a resource database comprised of 3,360 agencies and 20,218 services. This database is organized according to the AIRS 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 since 2019, 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; provide COVID-19 vaccination information; register individuals for meal delivery programs; and so much more.

The call center, run by United Way and located in White Plains, NY, managed over 279,000 interactions during 2021 from twelve counties in New York State. It handled over 13,000 tax related calls which resulted in refunds and credits of over \$13.7 million to residents of four counties in the Hudson Valley. 211 Hudson Valley Region and 211 Long Island Region operate as programs of the United Way and are underwritten by local United Ways, government agencies, and corporate foundations. 211 Hudson Valley and 211 Long Island established and maintained relationships with key local stakeholders to expand the use of 211 in addressing critical human service and crisis needs. It partnered with state and local government agencies to address COVID, food insecurity, Emergency Rental Assistance Program (ERAP), the Excluded Worker Fund Program (EWF), and the CTC (Advance Child Tax Credit) initiative.

15. Essential Goods for Basic Needs Program

Donated goods for the program were \$5,972,280 and \$9,621,502 for the years ended June 30, 2022 and 2021.

United Way of Westchester and Putnam, Inc.

Notes to Financial Statements
June 30, 2022 and 2021

16. Other Transactions

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

	2022	2021
United Way Worldwide	\$ 22,874	\$ 49,992
United Way of New York State	12,248	10,623
	\$ 35,122	\$ 60,615

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, 2022 are as follows:

	2023	\$ 23,392
	2024	13,270
Minimum Lease Payments		36,662
Less amounts representing interest		(1,181)
Present Value of Minimum Obligations Under Capital Leases		\$ 35,481

The present value of capital lease obligations of \$35,481 and \$54,847 at June 30, 2022 and 2021 is included in other liabilities in the statements of financial position. Rental expense and other equipment expenses were \$11,216 and \$7,767 in fiscal 2022 and 2021.

18. 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.

	2022	2021
Total public support and revenue as reported in the accompanying Statements of Activities	\$ 9,810,554	\$13,763,273
Add:		
Estimated uncollectible receivables	15,800	8,500
Donor designated funds raised on behalf of others	7,790	128,989
Total	\$ 9,834,144	\$13,900,762
Supporting Services Expense	\$ 1,168,059	\$ 1,261,147
Administrative Cost Ratio	11.88%	9.07%

United Way of Westchester and Putnam, Inc.

Notes to Financial Statements
June 30, 2022 and 2021

19. Risks and Contingencies

The global and domestic economic uncertainty has resulted in significant volatility in financial markets. This volatility has affected, and may continue to affect, the value of United Way's investments. The effects of economic, political and market conditions subsequent to June 30, 2022 are not reflected in these financial statements, and future effects on the United Way's financial position, cash flows and operations cannot be predicted.

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Supplemental Information

June 30, 2022 and 2021

United Way of Westchester and Putnam, Inc.

Supplemental Information
For the Year Ended June 30, 2022

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 Expenses (page 23)

United Way of Westchester and Putnam, Inc.

Schedule of Campaign Results
Year Ended June 30, 2022

Corporate and Employee Contributions	\$ 396,912
Local Community Annual Fund Contributions	908,497
Program and Operation Grants	414,878
Special Events	780,870
2-1-1 Helpline	1,310,131
Ruth Taylor Award Fund	<u>16,133</u>
Total Campaign Funds Raised	3,827,421
Less: Amounts included in reported campaign that are classified differently for financial statement purposes	
Bequests and Other Public Support	(50,628)
Other Income	<u>(116,922)</u>
Campaign Results, as Reported in the Statement of Activities	<u>\$ 3,659,871</u>

United Way of Westchester and Putnam, Inc.
 Schedule of Community Expenses
 Year Ended June 30, 2022

Essential Goods for Basic Needs Program	
Product Donations: Local and through Good360	<u>\$ 5,972,280</u>
Grants and Other Support to Local Agencies	
Community Impact Grants	\$ 200,000
Crisis Response Grants	<u>71,500</u>
Total Grants	<u>271,500</u>
Capacity Building Grants and Initiatives	
Capacity Building Grants	25,392
Nonprofit Leadership Summit 2022	<u>62,579</u>
Total Capacity Building Grants and Initiatives	<u>87,971</u>
Health, Education, and Income Initiatives	
Including Ride United Transportation Access, Ride United Last Mile Delivery, Violence Prevention, Education United, United 2 Read Programs, and Educational Scholarships	<u>126,328</u>
Total Grants and Other Support to Local Agencies	<u>\$ 485,799</u>
Total Community Support	<u>\$ 6,458,079</u>
Community Impact Program Expenses	
General Community Impact program expenses related to Financial Navigator, Administration of Westchester COAD, 21-Day Racial Equity & Social Justice Challenge, and Social Justice Journeys	<u>\$ 677,333</u>
Total Community Impact Program Expenses	\$ 7,135,412
2-1-1 HelpLine Hudson Valley Region and Long Island Region	<u>\$ 1,225,259</u>
Total Program Expense	<u>\$ 8,360,671</u>
Donor Designated Funds Raised on Behalf of Others in Westchester & Putnam	\$ 7,790
Other Community Impact Not Included in Financial Statement	
Westchester Emergency Food and Shelter Program *	\$ 1,538,550
Leveraged Community Impact for the Essential Goods Program**	\$ 239,665

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

** This represents the additional value of Essential Goods purchased by UWWP and invested in the community.