

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

Financial Statements

June 30, 2023 and 2022

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the 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.

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 2023 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
December 8, 2023, except for Note 18, as to which date is April 17, 2024.

United Way of Westchester and Putnam, Inc.

Statements of Financial Position

	June 30,	
	2023	2022
ASSETS		
Cash and cash equivalents	\$ 1,150,320	\$ 1,639,695
Contributions and contracts receivable, net	1,645,557	711,708
Other assets	402,303	351,459
Investments	2,497,398	2,351,701
Land, building and equipment, net	297,416	252,108
	\$ 5,992,994	\$ 5,306,671
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 630,109	\$ 134,258
Due to agencies	345,379	345,379
Note payable	937,292	1,015,760
Other liabilities	64,547	26,723
Total Liabilities	1,977,327	1,522,120
Net Assets		
Without donor restrictions		
Current operations	482,507	800,175
Land, building and equipment	297,416	216,627
Designated for:		
Program	155,962	139,807
Quasi-endowment	747,348	665,313
Total without donor restrictions	1,683,233	1,821,922
With donor restrictions	2,332,434	1,962,629
Total Net Assets	4,015,667	3,784,551
	\$ 5,992,994	\$ 5,306,671

See notes to financial statements

United Way of Westchester and Putnam, Inc.

Statements of Activities

	Year Ended June 30, 2023			Year Ended June 30, 2022		
	<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	\$ 2,842,003	\$ 1,197,107	\$ 4,039,110	\$ 3,325,395	\$ 334,476	\$ 3,659,871
Less donor designated funds raised on behalf of others	(2,970)	-	(2,970)	(7,790)	-	(7,790)
Less estimated uncollectible receivables	(43,095)	-	(43,095)	(15,800)	-	(15,800)
Net Campaign Results	2,795,938	1,197,107	3,993,045	3,301,805	334,476	3,636,281
Gifts in kind	5,466,258	-	5,466,258	5,972,280	-	5,972,280
Bequests and other public support	32,476	16,000	48,476	34,495	16,133	50,628
Total Public Support	<u>8,294,672</u>	<u>1,213,107</u>	<u>9,507,779</u>	<u>9,308,580</u>	<u>350,609</u>	<u>9,659,189</u>
Revenue						
Investment return (loss)	115,815	139,200	255,015	(157,313)	(123,711)	(281,024)
Other income	151,021	19,147	170,168	168,879	(51,957)	116,922
Grant income - CARES Act	-	-	-	315,467	-	315,467
Total Revenue	<u>266,836</u>	<u>158,347</u>	<u>425,183</u>	<u>327,033</u>	<u>(175,668)</u>	<u>151,365</u>
Net Assets Released from Restrictions	<u>1,001,649</u>	<u>(1,001,649)</u>	<u>-</u>	<u>735,101</u>	<u>(735,101)</u>	<u>-</u>
Total Public Support and Revenue	<u>9,563,157</u>	<u>369,805</u>	<u>9,932,962</u>	<u>10,370,714</u>	<u>(560,160)</u>	<u>9,810,554</u>
EXPENSES						
Program Services						
Community impact	7,332,112	-	7,332,112	7,135,412	-	7,135,412
2-1-1 Helpline	990,000	-	990,000	1,225,259	-	1,225,259
Total Program Services	<u>8,322,112</u>	<u>-</u>	<u>8,322,112</u>	<u>8,360,671</u>	<u>-</u>	<u>8,360,671</u>
Supporting Services						
Management and general	588,465	-	588,465	569,357	-	569,357
Fundraising	791,269	-	791,269	598,702	-	598,702
Total Supporting Services	<u>1,379,734</u>	<u>-</u>	<u>1,379,734</u>	<u>1,168,059</u>	<u>-</u>	<u>1,168,059</u>
Total Expenses	<u>9,701,846</u>	<u>-</u>	<u>9,701,846</u>	<u>9,528,730</u>	<u>-</u>	<u>9,528,730</u>
Change in Net Assets	(138,689)	369,805	231,116	841,984	(560,160)	281,824
NET ASSETS						
Beginning 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>
End of year	<u>\$ 1,683,233</u>	<u>\$ 2,332,434</u>	<u>\$ 4,015,667</u>	<u>\$ 1,821,922</u>	<u>\$ 1,962,629</u>	<u>\$ 3,784,551</u>

See notes to financial statements

United Way of Westchester and Putnam, Inc.

Statement of Functional Expenses

Year Ended June 30, 2023

	Program Services			Support Services		
	Community Impact	2-1-1 Helpline	Total Program	Management and General	Fundraising	Total
COMMUNITY SUPPORT						
Gifts in kind	\$ 5,466,258	\$ -	\$ 5,466,258	\$ -	\$ -	\$ 5,466,258
Grants and other support to local agencies	1,072,364	-	1,072,364	-	-	1,072,364
Total Community Support	<u>6,538,622</u>	<u>-</u>	<u>6,538,622</u>	<u>-</u>	<u>-</u>	<u>6,538,622</u>
PERSONNEL						
Salaries	502,943	641,686	1,144,629	277,486	312,171	1,734,286
Employee benefits	84,369	165,811	250,180	47,091	52,976	350,247
Payroll taxes	49,028	64,385	113,413	27,365	30,785	171,563
Total Personnel Costs	<u>636,340</u>	<u>871,882</u>	<u>1,508,222</u>	<u>351,942</u>	<u>395,932</u>	<u>2,256,096</u>
OTHER EXPENSES						
Professional fees and contract services	25,564	4,879	30,443	27,956	54,744	113,143
Accounting fees	-	-	-	37,215	-	37,215
Office/computer supplies	42,552	5,226	47,778	8,958	75,698	132,434
Telephone	14,661	1,801	16,462	3,087	52,098	71,647
Postage	3,996	491	4,487	841	1,862	7,190
Occupancy costs	16,846	62,570	79,416	28,878	23,327	131,621
Promotional and marketing	39,226	6,033	45,259	-	147,850	193,109
Local transportation	739	2,747	3,486	1,267	1,096	5,849
Conferences, conventions and meetings	-	-	-	13,097	773	13,870
Equipment rentals	-	-	-	23,288	23,254	46,542
Bonding and officers' insurance	-	-	-	3,924	-	3,924
Miscellaneous	-	-	-	29,531	1,192	30,723
Interest expense	-	-	-	42,583	-	42,583
National and State United Way dues	5,641	6,769	12,410	3,384	6,769	22,563
Total Other Expenses	149,225	90,516	239,741	224,009	388,663	852,413
Depreciation	7,925	27,602	35,527	12,514	6,674	54,715
Total Expenses	<u>\$ 7,332,112</u>	<u>\$ 990,000</u>	<u>\$ 8,322,112</u>	<u>\$ 588,465</u>	<u>\$ 791,269</u>	<u>\$ 9,701,846</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 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	48,099	57,969	106,068	21,043	26,054	153,165
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	8,781	12,986	21,767	5,268	8,087	35,122
Total Other Expenses	<u>137,116</u>	<u>325,345</u>	<u>462,461</u>	<u>243,232</u>	<u>232,741</u>	<u>938,434</u>
Depreciation	8,121	23,942	32,063	12,822	6,839	51,724
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.

Statements of Cash Flows

	Years Ended June 30,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 231,116	\$ 281,824
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	54,715	51,724
Gain on disposal of equipment	(11,164)	-
Provision for uncollectible receivables	(2,544)	18,747
Realized and unrealized (gain) loss on investments	(204,846)	338,407
Unrealized (gain) loss on beneficial interest in trust	(35,147)	32,824
Paycheck Protection Program note forgiven	-	(315,467)
Change in operating assets and liabilities		
Contributions and contracts receivable	(931,305)	(134,587)
Other assets	(15,697)	(746)
Accounts payable and accrued expenses	495,851	(81,321)
Other liabilities	73,305	(21,102)
Net Cash from Operating Activities	(345,716)	170,303
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of furniture, fixtures and equipment	(88,859)	(88,882)
Purchases of investments	(421,822)	(57,383)
Proceeds from sale of investments	480,971	480,971
Net Cash from Investing Activities	(29,710)	334,706
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of bank loans	(78,468)	(173,495)
Payments on capital lease obligations	(35,481)	(19,366)
Net Cash from Financing Activities	(113,949)	(192,861)
Net Change in Cash and Cash Equivalents	(489,375)	312,148
CASH AND CASH EQUIVALENTS		
Beginning of year	1,639,695	1,327,547
End of year	\$ 1,150,320	\$ 1,639,695
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	\$ 42,583	\$ 47,555

See notes to financial statements

United Way of Westchester and Putnam, Inc.

Financial Statements
June 30, 2023 and 2022

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 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 211 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, our Education United free bilingual afterschool program to provide needed support to elementary grade students, 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”).

Adoption of New Accounting Guidance

Contributed Nonfinancial Assets

In September 2020, the Financial Accounting Standards Board issued Accounting Standards Update No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The new guidance, which is effective for not-for-profit entities financial statements with years beginning after June 15, 2021, requires organizations that receive contributed nonfinancial assets to present them on a separate line in the statement of activities. The guidance also requires additional disclosures, including certain qualitative information about the use or monetization of the contributed assets, any policies regarding the monetization or utilization of the contributed nonfinancial assets, a description of any donor-restrictions, and other information regarding the fair value measurement of the nonfinancial assets.

United Way adopted the requirements of the new standard effective July 1, 2022 and is applied retrospectively to all years presented.

United Way of Westchester and Putnam, Inc.

Financial Statements
June 30, 2023 and 2022

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.

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.

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.

United Way of Westchester and Putnam, Inc.

Financial Statements
June 30, 2023 and 2022

2. Significant Accounting Policies (*continued*)

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.

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 \$31.80 and \$29.95 per hour in 2023 and 2022. Utilizing this calculation, United Way of Westchester and Putnam, Inc. has determined that \$129,347 and \$266,450 was contributed in service time to the United Way for the years ended June 30, 2023 and 2022, 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.

Financial Statements
June 30, 2023 and 2022

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 assets and requires recognition of the asset retirement obligation in the period in which it is 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 December 8, 2023 and through April 17, 2024 which is the date the re-issued financial statements were available for issuance.

United Way of Westchester and Putnam, Inc.

Financial Statements
June 30, 2023 and 2022

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 of \$250,000. Deposits exceed FDIC limits by approximately \$966,000 and \$552,000 at June 30, 2023 and 2022. 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>2023</u>	<u>2022</u>
Contributions receivable	\$ 1,165,850	\$ 232,284
Contracts receivable	593,573	595,834
Less allowance for uncollectible receivables	<u>(113,866)</u>	<u>(116,410)</u>
	<u>\$ 1,645,557</u>	<u>\$ 711,708</u>

5. Investments and Investment Return

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

	<u>2023</u>	<u>2022</u>
Level 1 Inputs		
Large blend equity mutual fund *	\$ 1,530,625	\$ 1,378,322
Intermediate bond index mutual fund *	948,757	973,379
Money market fund *	<u>18,016</u>	<u>-</u>
Total Investments	<u>\$ 2,497,398</u>	<u>\$ 2,351,701</u>

* - represents a single investment

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

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 50,169	\$ 57,383
Realized gain on investments	50,810	259,101
Unrealized appreciation (depreciation) on investments	<u>154,036</u>	<u>(597,508)</u>
	<u>\$ 255,015</u>	<u>\$ (281,024)</u>

United Way of Westchester and Putnam, Inc.

Financial Statements
June 30, 2023 and 2022

6. Land, Building and Equipment

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

	<u>2023</u>	<u>2022</u>
Land	\$ 100,000	\$ 100,000
Building	306,128	306,128
Building improvements	846,670	832,170
Furniture, fixtures, and equipment	<u>763,966</u>	<u>762,798</u>
	2,016,764	2,001,096
Less accumulated depreciation	<u>(1,719,348)</u>	<u>(1,748,988)</u>
	<u>\$ 297,416</u>	<u>\$ 252,108</u>

Assets under capital lease as of June 30, 2022 had a cost of \$105,433 with accumulated amortization of \$80,840. The lease was terminated in September 2022.

7. Other Assets

Other assets consisted of the following as of June 30:

	<u>2023</u>	<u>2022</u>
Beneficial interest in trust	\$ 310,552	\$ 291,405
Cash surrender value of life insurance policy	42,722	40,035
Prepaid expenses and other receivables	<u>49,029</u>	<u>20,019</u>
	<u>\$ 402,303</u>	<u>\$ 351,459</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:

	<u>2023</u>	<u>2022</u>
Balance at July 1	\$ 291,405	\$ 343,362
Change in fair value of investments	35,147	(32,824)
Distribution from Trust	<u>(16,000)</u>	<u>(19,133)</u>
Balance at June 30	<u>\$ 310,552</u>	<u>\$ 291,405</u>

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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 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 \$937,292 and \$1,015,760 at June 30, 2023 and 2022 and is secured by an interest in the building. There were no outstanding borrowings on the line of credit as of June 30, 2023 and 2022. Interest expense incurred was \$38,558 and \$43,530 in fiscal 2023 and 2022.

Future payments at June 30, 2023 are payable as follows:

2024	\$ 117,025
2025	117,025
2026	117,025
2027	117,025
2028	117,025
Thereafter	<u>352,167</u>
	<u>\$ 937,292</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 \$84,548 and \$95,841 for the years ended June 30, 2023 and 2022.

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.

United Way of Westchester and Putnam, Inc.

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June 30, 2023 and 2022

11. Liquidity and Availability of Financial Assets *(continued)*

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 \$747,348 and \$665,313 at June 30, 2023 and 2022. 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:

	2023	2022
Cash and cash equivalents	\$1,150,320	\$1,639,695
Contributions and contracts receivable	1,645,557	711,708
Investments	2,497,398	2,351,701
Beneficial interest in trust	310,552	291,405
Financial assets available as of year end	5,603,827	4,994,509
Less amount unavailable for general expenditures due to:		
Perpetual in nature	(1,596,621)	(1,577,473)
Subject to donor purpose restrictions	(735,813)	(385,156)
Board-designated quasi-endowment	(747,348)	(665,313)
Plus amount available for general expenditures due to:		
Appropriation from endowment for general expenditures in subsequent year	104,500	107,000
Financial assets as of year end available to meet cash needs for general expenditures within one year	\$2,628,545	\$2,473,567

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.

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12. Funds Held for Long-Term Investment (continued)

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, 2023 and 2022 is summarized as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balance, June 30, 2021	\$ 891,260	\$1,739,337	\$2,630,597
Investment loss	(177,255)	(103,769)	(281,024)
Appropriation for expenditures	<u>(48,692)</u>	<u>(374,000)</u>	<u>(422,692)</u>
Balance, June 30, 2022	665,313	1,261,568	1,926,881
Transfers, net	16,203	-	16,203
Investment return	115,374	139,200	254,574
Appropriation for expenditures	<u>(49,542)</u>	<u>(59,774)</u>	<u>(109,316)</u>
Balance, June 30, 2023	<u>\$ 747,348</u>	<u>\$1,340,994</u>	<u>\$2,088,342</u>

United Way of Westchester and Putnam, Inc.

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June 30, 2023 and 2022

13. Net Assets With Donor Restrictions

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

	<u>2023</u>	<u>2022</u>
Subject to a specific purpose or time		
Ruth Taylor Award Fund	\$ 35,020	\$ 51,020
Holland Scholarship Fund	54,186	49,422
Response Fund	50,314	184,230
Income initiatives	443,583	18,559
Bendheim Community Disaster Recovery Fund	77,236	74,173
2-1-1 Helpline	3,876	7,752
Endowment earnings not appropriated	<u>71,598</u>	<u>-</u>
Total Purpose or Time Restricted	<u>735,813</u>	<u>385,156</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>310,553</u>	<u>291,405</u>
Total Perpetual in Nature	<u>1,596,621</u>	<u>1,577,473</u>
Total Net Assets with Donor Restrictions	<u>\$2,332,434</u>	<u>\$1,962,629</u>

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

	<u>2023</u>	<u>2022</u>
Ruth Taylor Award Fund	\$ 32,000	\$ 9,000
Response Fund	299,429	192,521
Income initiatives	606,569	155,649
Bendheim Community Disaster Recovery Fund	-	24,500
Endowment earnings appropriated for community initiative	-	119,500
Endowment earnings appropriated for operations	59,775	230,000
2-1-1 Helpline	<u>3,876</u>	<u>3,931</u>
	<u>\$1,001,649</u>	<u>\$ 735,101</u>

United Way of Westchester and Putnam, Inc.

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June 30, 2023 and 2022

14. 2-1-1 Helpline

United Way operates the 211 Helpline for the Hudson Valley region, which includes Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster, and Westchester counties. In addition, it manages the 211 Helpline for the Long Island region, which includes Nassau and Suffolk counties. Additionally, United Way 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 assist 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. 2-1-1 has been recognized by FEMA as the go-to agency for information and referrals during and after times of disasters and emergencies. The 211 Call Center provides 24-hour, seven day a week access to trained Community Connectors that can connect community members to needed information and referral services. This process includes collaborating with human service agencies and programs while responding to community members' questions about mental health issues, suicide and crisis counseling, basic needs or other health and human service needs. Translation services are available in over 200 languages. 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, inform residents about Door Dash food delivery program, and disaster status including, evacuation routes and status, road closures, shelter locations, coordination of community donations such as food, water, and clothing.

United Way's 211 Helpline is an AIRS (Alliance of Information and Referral Systems) Accredited Call Center, and the 211 Helpline maintains a resource database comprised of 5,537 agencies and 19,000 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 resource database is also available online at www.211hudsonvalley.org. The 211 Helpline managed over 580,000 interactions during 2022 from twelve counties in New York State in which over 16,000 calls were tax related. 211 Hudson Valley Region and 211 Long Island Region operate as programs of the United Way and are underwritten by local United Ways, governments, and corporate foundations. 211 Hudson Valley and 211 Long Island establish and maintain relationships with key local stakeholders to expand the use of 211 in addressing critical human service and crisis needs.

United Way of Westchester and Putnam, Inc.

Financial Statements
June 30, 2023 and 2022

15. Essential Goods for Basic Needs Program

United Way recognized the following contributed nonfinancial assets for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Contributed goods for basic needs such as clothing, food and other essential items and services to transport food and supplies to the individuals	<u>\$5,466,258</u>	<u>\$5,972,280</u>

The fair value of contributed goods was based on the estimated purchase price in the periods received. All contributed nonfinancial assets were program related expenditures.

16. Other Transactions

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

	<u>2023</u>	<u>2022</u>
United Way Worldwide	\$ 17,956	\$ 22,874
United Way of New York State	<u>4,607</u>	<u>12,248</u>
	<u>\$ 22,563</u>	<u>\$ 35,122</u>

17. 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>2023</u>	<u>2022</u>
Total public support and revenue as reported in the accompanying Statements of Activities	\$ 9,932,962	\$ 9,810,554
Add:		
Estimated uncollectible receivables	43,095	15,800
Donor designated funds raised on behalf of others	<u>2,970</u>	<u>7,790</u>
Total	<u>\$ 9,979,027</u>	<u>\$ 9,834,144</u>
Supporting Services Expense	<u>\$ 1,379,734</u>	<u>\$ 1,168,059</u>
Administrative Cost Ratio	<u>13.83%</u>	<u>11.88%</u>

United Way of Westchester and Putnam, Inc.

Financial Statements
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18. Restatement of Previously Issued Financial Statements

Subsequent to the issuance of the accompanying financial statements, it was discovered that a journal entry adjusting deferred revenue and special events income was not recorded. The financial statements have been adjusted as follows:

Page 3 – Statement of Financial Position – Other liabilities, which includes deferred revenue, increased and net assets decreased by \$47,400.

Page 4 – Statement of Activities – Campaign results decreased and net assets without donor restrictions decreased by \$47,400.

* * * * *

Supplemental Information

June 30, 2023 and 2022

United Way of Westchester and Putnam, Inc.

Supplemental Information
For the Year Ended June 30, 2023

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, 2023

Corporate and Employee Contributions	\$ 373,962
Local Community Annual Fund Contributions	799,224
Program and Operation Grants	1,197,107
Special Events	644,182
2-1-1 Helpline	1,215,067
Ruth Taylor Award Fund	<u>16,000</u>
Total Campaign Funds Raised	4,245,542
Less: Amounts included in reported campaign that are classified differently for financial statement purposes	
Bequests and Other Public Support	(48,476)
Other Income	<u>(157,956)</u>
Campaign Results, as Reported in the Statement of Activities	<u>\$ 4,039,110</u>

United Way of Westchester and Putnam, Inc.
Schedule of Community Expenses
Year Ended June 30, 2023

Essential Goods for Basic Needs Program	
Product Donations: Local and through Good360	<u>\$ 5,466,258</u>
Education United and other Education Initiatives	
Including Education United, United 2 Read Programs, Summer Learning, Born Learning, and Educational Scholarships	\$ 629,328
Grants and Other Support to Local Agencies	
Community Impact Grants	<u>75,000</u>
Total Grants	<u>\$ 704,328</u>
Capacity Building Grants and Initiatives	
Capacity Building Grants	\$ 40,879
Nonprofit Leadership Summit 2022	<u>66,430</u>
Total Capacity Building Grants and Initiatives	<u>\$ 107,309</u>
Health and Income Initiatives	
Including Ride United Transportation Access, Ride United Last Mile Delivery, Violence Prevention	<u>\$ 260,727</u>
Total Grants and Other Support to Local Agencies	<u>\$ 1,072,364</u>
Total Community Support	<u>\$ 6,538,622</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>\$ 793,490</u>
Total Community Impact Program Expenses	\$ 7,332,112
211 HelpLine Hudson Valley Region and Long Island Region	<u>\$ 990,000</u>
Total Program Expense	<u>\$ 8,322,112</u>
Donor Designated Funds Raised on Behalf of Others in Westchester and Putnam	\$ 2,970
Other Community Impact Not Included in Financial Statement	
Emergency Food and Shelter Program *	\$ 348,722
Leveraged Community Impact for the Essential Goods Program**	\$ 369,562

* 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.