

U NITED WAY OF
NORTHERN NEW YORK, INC.

FINANCIAL STATEMENTS
December 31, 2020

Table of Contents

UNITED WAY OF NORTHERN NEW YORK, INC.

INDEPENDENT AUDITOR’S REPORT	1
AUDITED FINANCIAL STATEMENTS	3
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF ACTIVITIES	4
STATEMENT OF FUNCTIONAL EXPENSES	5
STATEMENT OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7



**BOWERS & COMPANY
CPAS PLLC**

CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS UNITED WAY OF NORTHERN NEW YORK, INC.

Report on the Financial Statements

We have audited the accompanying financial statements of **UNITED WAY OF NORTHERN NEW YORK, INC.** (a nonprofit organization) which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

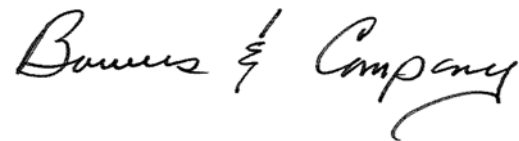
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Northern New York, Inc. as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited United Way of Northern New York, Inc.'s 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 28, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Bowers & Company". The signature is written in a cursive style with a large, sweeping flourish at the end of the word "Company".

Watertown, New York
June 28, 2021

UNITED WAY OF NORTHERN NEW YORK, INC.

AUDITED FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

December 31, 2020 with Comparative Totals for 2019

	ASSETS	
	2020	2019
Cash and Cash Equivalents	\$ 572,005	\$ 509,002
Accounts Receivable	1,779	3,844
Grants Receivable	14,502	94,873
Pledges Receivable, Net	367,175	193,333
Accrued Interest Receivable	3,163	3,572
Prepaid Expenses	23,598	23,263
Investments	1,294,874	1,308,357
Investments Held By Community Foundation	308,421	279,358
Property and Equipment, Net	6,290	5,392
TOTAL ASSETS	\$ 2,591,807	\$ 2,420,994
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 13,960	\$ 64,171
Community Building Grants Payable	401,000	394,173
Due to Designated Agencies	149,001	176,090
Accrued Payroll and Related Expenses	8,203	4,303
Unearned Revenues	-	11,723
Other Liabilities	1,404	69
Total Liabilities	<u>573,568</u>	<u>650,529</u>
NET ASSETS		
Without Donor Restrictions		
Designated for Investments	1,389,019	1,310,651
Designated for Investments Held By Community Foundation	214,219	198,173
Designated for Property and Equipment	6,290	5,392
Undesignated	<u>(75,090)</u>	<u>(64,012)</u>
Total Net Assets Without Donor Restrictions	<u>1,534,438</u>	<u>1,450,204</u>
With Donor Restrictions		
Campaign Contributions Subject to Time Restriction	304,042	153,519
Subject to Restriction for Specific Purpose	94,202	81,185
Subject to Restriction in Perpetuity	<u>85,557</u>	<u>85,557</u>
Total Net Assets With Donor Restrictions	<u>483,801</u>	<u>320,261</u>
Total Net Assets	<u>2,018,239</u>	<u>1,770,465</u>
TOTAL LIABILITIES AND NET ASSETS	\$ 2,591,807	\$ 2,420,994

See notes to financial statements.

UNITED WAY OF NORTHERN NEW YORK, INC.

STATEMENT OF ACTIVITIES

Year Ended December 31, 2020 with Summarized Totals for December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2020	2019 (Summarized)
SUPPORT AND REVENUES				
Campaign Contributions	\$ 46,941	\$ -	\$ 46,941	\$ 75,625
Less: Donor Designations	(46,941)	-	(46,941)	(75,625)
Total Campaign	-	-	-	-
Contributions	509,522	319,202	828,724	511,991
Less: Donor Designations	-	(10,000)	(10,000)	(11,619)
Recovery of Uncollectible Pledges	-	-	-	-
Total Contributions, Net	509,522	309,202	818,724	500,372
Grant Revenues	351,946	-	351,946	319,481
Special Events	15,285	-	15,285	89,001
SEFA Fees	9,629	-	9,629	10,500
Interest and Dividends, Net	25,813	-	25,813	35,449
Loss on Disposal of Property and Equipment	(398)	-	(398)	-
Unrealized Gain (Loss) on Investments	77,706	-	77,706	151,878
Realized Gain (Loss) on Investments	(25,402)	-	(25,402)	39,528
Change in Value of Investments Held By				
Community Foundation	18,536	7,857	26,393	46,729
In-Kind Donations	175,768	-	175,768	1,443
Miscellaneous	166,961	-	166,961	791
Net Assets Released From Restrictions	153,519	(153,519)	-	-
Total Support and Revenues	1,478,885	163,540	1,642,425	1,195,172
EXPENSES				
Program Services				
Community Building	514,741	-	514,741	569,342
COVID-19 Crisis Support	584,194	-	584,194	-
Poverty Reduction Initiative	64,981	-	64,981	347,168
Supporting Services				
Fundraising	144,041	-	144,041	208,669
Administration	86,694	-	86,694	92,265
Total Expenses	1,394,651	-	1,394,651	1,217,444
CHANGE IN NET ASSETS	84,234	163,540	247,774	(22,272)
NET ASSETS, BEGINNING OF YEAR	1,450,204	320,261	1,770,465	1,792,737
NET ASSETS, END OF YEAR	\$ 1,534,438	\$ 483,801	\$ 2,018,239	\$ 1,770,465

See notes to financial statements.

UNITED WAY OF NORTHERN NEW YORK, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2020 with Summarized Totals for December 31, 2019

	Program Services				Supporting Services			Totals	
	Community Building	COVID-19 Crisis Support	Poverty Reduction Initiative	Total Program Services	Fundraising	Administration	Total Supporting Services	2020	2019 (Summarized)
Salaries and Wages	\$ 58,582	\$ 58,581	\$ 10,098	\$ 127,261	\$ 80,298	\$ 44,887	\$ 125,185	\$ 252,446	\$ 205,851
Employee Benefits	11,571	11,570	-	23,141	14,810	8,331	23,141	46,282	32,828
Payroll Taxes	4,811	4,811	837	10,459	6,158	3,464	9,622	20,081	15,791
Total Salaries and Related Expenses	74,964	74,962	10,935	160,861	101,266	56,682	157,948	318,809	254,470
Campaign Promotions	-	-	-	-	15,965	-	15,965	15,965	20,772
Cleaning Supplies	-	278,147	-	278,147	-	-	-	278,147	-
Credit Card Fees	1,727	-	-	1,727	1,105	622	1,727	3,454	2,926
Dues	16,870	-	-	16,870	-	-	-	16,870	9,321
Grants	366,707	34,555	42,622	443,884	-	-	-	443,884	585,189
Infant Supplies	-	103,892	-	103,892	-	-	-	103,892	-
Insurance	2,811	-	-	2,811	1,799	1,012	2,811	5,622	4,240
Marketing	4,576	-	-	4,576	2,929	1,648	4,577	9,153	6,407
Miscellaneous	-	-	-	-	-	-	-	-	3,875
Occupancy	8,625	-	-	8,625	5,520	3,105	8,625	17,250	17,250
Office Expenses	1,947	-	-	1,947	1,246	700	1,946	3,893	5,607
Postage	424	-	-	424	271	152	423	847	2,018
Professional Services	13,281	-	-	13,281	8,500	4,781	13,281	26,562	59,017
Protective Equipment	-	92,638	-	92,638	-	-	-	92,638	-
Repairs and Maintenance	2,941	-	-	2,941	1,883	1,059	2,942	5,883	4,449
Telephone	1,774	-	-	1,774	1,135	638	1,773	3,547	4,053
Training	-	-	11,424	11,424	-	14,932	14,932	26,356	176,728
Travel	2,807	-	-	2,807	1,796	1,011	2,807	5,614	5,340
Provision for Uncollectible Pledges	14,309	-	-	14,309	-	-	-	14,309	54,692
Depreciation	978	-	-	978	626	352	978	1,956	1,090
Total Expenses	<u>\$ 514,741</u>	<u>\$ 584,194</u>	<u>\$ 64,981</u>	<u>\$1,163,916</u>	<u>\$ 144,041</u>	<u>\$ 86,694</u>	<u>\$ 230,735</u>	<u>\$1,394,651</u>	<u>\$ 1,217,444</u>

See notes to financial statements.

UNITED WAY OF NORTHERN NEW YORK, INC.

STATEMENT OF CASH FLOWS

Year Ended December 31, 2020 with Comparative Totals for 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 247,774	\$ (22,272)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By (Used In) Operating Activities:		
Depreciation	1,956	1,090
Adjustment to Allowance for Pledges Receivable	(741)	21,466
Provision for Uncollectible Pledges	14,309	54,692
Loss on Disposal of Property and Equipment	398	-
Realized (Gain) Loss on Investments	25,402	(39,528)
Unrealized Gain on Investments	(77,706)	(151,878)
Change in Value of Investments Held By Community Foundation	(26,393)	(46,729)
(Increase) Decrease in Operating Assets:		
Accounts Receivable	2,806	(23,874)
Grants Receivable	80,371	(31,748)
Pledges Receivable, Net	(188,151)	147,104
Accrued Interest Receivable	409	171
Prepaid Expenses	(335)	(1,872)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(50,211)	60,230
Community Building Grants Payable	6,827	(5,355)
Due to Designated Agencies	(27,089)	17,440
Accrued Payroll and Related Expenses	3,900	1,592
Unearned Revenues	(11,723)	11,723
Other Current Liabilities	1,335	69
Net Cash Provided by (Used In) Operating Activities	<u>3,138</u>	<u>(7,679)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(325,167)	(281,807)
Proceeds from Sale of Investments	390,954	393,024
Deposit to Investment in the Community Foundation	(5,160)	(1,500)
Grant from Investment in the Community Foundation	2,490	7,058
Purchase of Property and Equipment	(3,852)	(3,297)
Proceeds from Sale of Property and Equipment	600	-
Net Cash Provided By Investing Activities	<u>59,865</u>	<u>113,478</u>
Net Increase in Cash	63,003	105,799
Cash and Cash Equivalents, Beginning of Year	509,002	403,203
Cash and Cash Equivalents, End of Year	<u>\$ 572,005</u>	<u>\$ 509,002</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 with Comparative Totals for 2019

NOTE 1 – NATURE OF OPERATIONS

United Way of Northern New York, Inc., (the "Organization"), was formed under the not-for-profit laws of the State of New York and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code as another than private foundation. The Organization was formed for the purpose of raising money through contributions for member agencies. On April 13, 1998, the Organization changed its name from United Way of Jefferson County, Inc. to United Way of Northern New York, Inc. On September 1, 1998, the Lewis County United Fund merged its operations into the United Way of Northern New York, Inc. On January 1, 2001, the United Way extended its operations into St. Lawrence County.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions.

Net Assets Without Donor Restrictions – Are currently available for operating purposes subject only to broad limits resulting from the nature of the organization, invested in property and equipment or designated for investment. Net assets without donor restrictions generally result from receiving revenues from grants and special events, and interest and dividends from investments less expenses incurred in providing program-related services and performing administrative functions.

Net Assets With Donor Restrictions – Net Assets whose use is limited by donor-imposed time and / or purpose restrictions. Net assets with donor restrictions also include net assets with stipulations that they be maintained permanently by the Organization.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 with Comparative Totals for 2019

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES - Continued

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management considered all accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been recorded. Accounts receivable are charged to expense when they are determined to be uncollectible.

Grants Receivable

Grants receivable represent amounts that have been billed under grant contracts but not collected as of the date of the financial statements. Grants receivable are stated at the amount management expects to be collected from the outstanding balance. As of December 31, 2020 and 2019, management has determined, based on historical experience, that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

Pledges Receivable

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. All pledges receivable are determined to be collectible in less than one year and are reported in the Statement of Financial Position at their estimated fair value, net of an allowance for uncollectible pledges. Pledges are valued at an estimated net realizable value based on historical collection rates. Actual results could differ from these estimates.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 with Comparative Totals for 2019

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES - Continued

Investments Held By Community Foundation

The investments held by the Northern New York Community Foundation (“Community Foundation”) are recorded at net asset value. Change in value of investments held by the Community Foundation are reflected in the Statement of Activities.

Property and Equipment

Property and equipment are stated at cost, except for donated property and equipment, which is stated at the estimated fair market value at the date of receipt. The Organization capitalizes all property and equipment in excess of \$500. Depreciation of property and equipment is recorded on the straight-line method based on the estimated useful lives of the assets.

Community Building Grants Payable

The Organization recognizes community building grants payable and the related expense in the period the grant awards are made and notice is provided to the recipient organizations, rather than when payments are made.

Due to Designated Agencies

Contributions which are designated to a specific third-party beneficiary are recorded as a liability at the estimated fair value at the time the contribution is received, net of campaign costs. All pledges received by the SEFA campaigns of Jefferson, Lewis and St. Lawrence Counties are considered donor-designated. These pledges are passed directly to the designated recipient and are excluded from the Organization’s revenue and expenses, except for a small portion that is allocated to revenue to cover direct campaign costs.

Unearned Revenues

Income from certain exchange transactions in which the performance obligation has not been satisfied are deferred and recognized when the performance obligations are met.

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents and pledges receivable to be received in less than one-year approximate fair value because of the short maturity of those financial instruments.

Fair values for investments are determined by reference to quoted market prices for similar investments, yield curves, and other relevant information.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 with Comparative Totals for 2019

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES - Continued

Fair Value of Financial Instruments - Continued

Investments held by the Community Foundation are valued using net asset value.

The valuation methodologies used by the Organization may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, although the Organization's management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of financial instruments could result in a different fair value measurement at the reporting date. Refer to Note 8 for additional information on fair value measurements.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, and various fundraising events. These services are not recognized as contributions in the financial statements since the criteria for ASC 958 was not met.

Concentration of Credit Risk

During the years ended December 31, 2020 and 2019, the Organization maintained accounts with various financial institutions. All accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times the Organization's deposits may exceed these limits. At December 31, 2020 and 2019, the Organization's accounts exceeded federally insured limits by \$44,964 and \$86,341, respectively.

The Organization has investments held at RBC Wealth Management which are insured by Securities Investor Protection Corporation up to \$500,000. RBC Wealth Management has procured National Financial Services, LLC to protect assets in excess of the coverage provided by the SIPC. This protection becomes available in the event that SIPC limits are exhausted and is the highest level of excess SIPC coverage currently available. The balances in the RBC Cash Plus program are not covered by FDIC or SIPC coverage and totaled \$179,702 and \$87,401 at December 31, 2020 and 2019, respectively.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 with Comparative Totals for 2019

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES - Continued

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for a charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Open Tax Years

The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ended 2019, 2018, and 2017 are subject to examination by the IRS, generally for 3 years after they were filed. Based on its analysis, the Organization has determined that there were no uncertain tax positions and that the Organization should prevail upon examination by the taxing authorities.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Expenses consist of costs related to community building, poverty reduction and administrative functions. Expenses related to the poverty reduction initiative have been directly allocated based on approved expenditures from the granting agency. Other operating costs have been allocated based on direct identification when possible, and allocation if a single expenditure benefits more than one function. Expenditures that require allocation are allocated based on estimates of time and effort, including salaries and related expenses, insurance, occupancy, and telephone.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 with Comparative Totals for 2019

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES - Continued

Advertising and Marketing

Advertising costs are charged to expense as incurred. Marketing expense was \$9,153 and \$6,407 for the years ended December 31, 2020 and 2019, respectively.

Statement of Cash Flows

There were no noncash investing and financing activities during 2020 and 2019.

Revenue Recognition

In accordance with ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606), the Organization recognizes revenue when control of the promised goods or service is transferred to the Organization's outside parties in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those goods or services. The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied.

Special Events

Special events revenue results from the Organization's efforts to host annual funding events such as Over the Edge. The revenues are recognized in the period that the events are held.

In accordance with ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958), the Organization recognizes nonreciprocal transactions at the time of transaction for the following revenue source.

Grants

The Organization receives a portion of its revenue from cost-reimbursable grants and contracts with State agencies and other private grantors, which are conditional upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 with Comparative Totals for 2019

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue Recognition - Continued

Contributions

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. Contributions of property and equipment are reported as net assets with donor restrictions if the donor restricted the use of the property or equipment to a particular program, as are contributions of cash restricted to the purchase of property and equipment. If donors specify a length of time over which the property or equipment must be used, the restrictions expire evenly over the required period; otherwise, the restriction expires when the assets are placed in service. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Impact of COVID-19 Pandemic on Financial Statements

The COVID-19 pandemic remains a rapidly evolving situation. The extent of the impact of COVID-19 on the Organization and financial results will depend on future developments, which are highly uncertain and cannot be predicted, including but not limited to the duration, spread, severity, and impact of the outbreak, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact Organization's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

Date of Management's Review

Management has evaluated subsequent events and transactions that occurred between December 31, 2020 through June 28, 2021, which is date the financial statements were available to be issued.

UNITED WAY OF NORTHERN NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 with Comparative Totals for 2019

NOTE 3 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of deposit accounts held at the following institutions as of December 31:

	2020	2019
Key Bank	\$ 51,904	\$ 63,628
Watertown Savings Bank	287,454	315,460
Community Bank	52,845	41,963
RBC Wealth Management	179,702	87,851
Petty Cash	100	100
Total Cash and Cash Equivalents	<u>\$ 572,005</u>	<u>\$ 509,002</u>

NOTE 4 – PLEDGES RECEIVABLE, NET

Pledges receivable consist of the following at December 31:

	2020	2019
Pledges Receivable	\$ 413,292	\$ 240,191
Less: Allowance for Uncollectible Pledges	<u>(46,117)</u>	<u>(46,858)</u>
Pledges Receivable, Net	<u>\$ 367,175</u>	<u>\$ 193,333</u>

NOTE 5 – INVESTMENTS

Investments in marketable securities consist of the following at December 31, 2020:

	Cost	Fair Value	Carrying Value
Fixed Income	\$ 375,148	\$ 416,636	\$ 416,636
Equity Securities	670,546	854,161	854,161
Other Assets	<u>18,877</u>	<u>24,077</u>	<u>24,077</u>
Total	<u>\$ 1,064,571</u>	<u>\$ 1,294,874</u>	<u>\$ 1,294,874</u>

UNITED WAY OF NORTHERN NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 with Comparative Totals for 2019

NOTE 5 – INVESTMENTS - Continued

Investments in marketable securities consist of the following at December 31, 2019:

	Cost	Fair Value	Carrying Value
Fixed Income	\$ 456,180	\$ 472,904	\$ 472,904
Equity Securities	662,038	791,523	791,523
Other Assets	37,541	43,930	43,930
Total	<u>\$ 1,155,759</u>	<u>\$ 1,308,357</u>	<u>\$ 1,308,357</u>

NOTE 6 – INVESTMENTS HELD BY COMMUNITY FOUNDATION

The Organization has transferred assets to the Northern New York Community Foundation, which is holding them as an agency fund (the “Fund”) for the benefit of the Organization. The Organization has granted the Community Foundation variance power which gives the Community Foundation’s governing board the power to use the Fund for other purposes in certain circumstances. Distributions from the Fund shall be in accordance with the spending policy established by the Board of Directors of the Community Foundation. Distributions may be made at least annually, or more frequently, as the parties may from time to time agree. The distributions from the funds were \$2,490 and \$7,058 for the years ended December 31, 2020 and 2019, respectively. The Organization reports its interest in the Fund at net asset value per share based on the Foundation’s percentage of the fair value of the underlying investments, consistent with the market approach, which are valued using quoted market prices. Changes in the value of the Fund are reported as change in value of investments held by Community Foundation on the Statement of Activities.

Investments held by the Community Foundation consisted of the following at December 31:

	2020	2019
United Way Endowment	\$ 214,219	\$ 198,173
Boys and Girls Club Endowment	36,740	33,988
Renee Byer Fund	<u>57,462</u>	<u>47,197</u>
Total Investments Held By Community Foundation	<u>\$ 308,421</u>	<u>\$ 279,358</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 with Comparative Totals for 2019

NOTE 6 – INVESTMENTS HELD BY COMMUNITY FOUNDATION - Continued

In addition to the investments held by the Community Foundation, the Organization is the beneficiary of certain funds established at the Community Foundation. The funds' fair values as of December 31, 2020 and 2019 were \$223,886 and \$204,596, respectively. These funds are considered assets of the Community Foundation and, therefore, are not included in the accompanying Statement of Financial Position. The Organization may request disbursements from the funds. However, such disbursements require approval by the Community Foundation's Board of Directors. The distributions from the funds were \$1,211 and \$4,445 for the years ended December 31, 2020 and 2019, respectively, and are presented as contributions in the Statement of Activities.

NOTE 7 – PROPERTY AND EQUIPMENT, NET

Property and equipment consisted of the following at December 31:

	2020	2019
Office Furniture and Fixtures	\$ 55,906	\$ 53,354
Less: Accumulated Depreciation	<u>(49,616)</u>	<u>(47,962)</u>
Property and Equipment, Net	<u>\$ 6,290</u>	<u>\$ 5,392</u>

NOTE 8 – FAIR VALUE MEASUREMENTS

The Organization utilizes fair value measurements to determine fair value disclosures. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based on quoted market prices. In cases where quoted market prices are not readily available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument. The Organization uses a three-tier value hierarchy which maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value, as follows:

UNITED WAY OF NORTHERN NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 with Comparative Totals for 2019

NOTE 8 – FAIR VALUE MEASUREMENTS - Continued

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.
Level 2	Significant other observable inputs other than level 1 prices, such as quoted prices for similar assets or liabilities in active markets, quoted prices in markets that are not active and other inputs that are observable or can be corroborated by observable market data.
Level 3	Significant unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liability.

The following are measured at fair value on a recurring basis at December 31, 2020:

	Fair Value	Level 1	Level 2	Level 3
Fixed Income	\$ 416,636	\$ 416,636	\$ -	\$ -
Equity Securities	854,161	854,161	-	-
Investments Held By				
Community Foundation	308,421	-	308,421	-
Other Assets	<u>24,077</u>	<u>24,077</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,603,295</u>	<u>\$ 1,294,874</u>	<u>\$ 308,421</u>	<u>\$ -</u>

The following are measured at fair value on a recurring basis at December 31, 2019:

	Fair Value	Level 1	Level 2	Level 3
Fixed Income	\$ 472,904	\$ 472,904	\$ -	\$ -
Equity Securities	791,523	791,523	-	-
Investments Held By				
Community Foundation	279,358	-	279,358	-
Other Assets	<u>43,930</u>	<u>43,930</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,587,715</u>	<u>\$ 1,308,357</u>	<u>\$ 279,358</u>	<u>\$ -</u>

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

UNITED WAY OF NORTHERN NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 with Comparative Totals for 2019

NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets were released from donor restrictions by the occurrence of the passage of time as of December 31, 2020 and 2019 in the amount of \$153,519 and \$265,652, respectively.

Net assets with donor restrictions subject to restriction in perpetuity consist of the following bequests as of December 31, 2020 and 2019:

Donor	Date	Amount
David Graves Memorials	1997	\$ 170
Bertha Covey	1950	5,000
Elizabeth Haas	1967	25,000
Fred K. Vogt	1978	6,300
Ross Baker	1981	508
David Anderson	1983	<u>48,579</u>
Total Net Assets With Donor Restrictions Subject to Restriction in Perpetuity		<u><u>\$ 85,557</u></u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 with Comparative Totals for 2019

NOTE 10 – ENDOWMENT

The Organization’s investments are pooled in an endowment fund (the “Fund”) created by the Board of Directors to provide perpetual financial support to the Organization.

The Organization is subject to the New York Prudent Management of Institutional Funds Act (“NYPMIFA”) which sets forth certain specifically mandated procedures and standards for managing endowed funds. The Organization adheres to these procedures and standards in the investment and expenditure of endowment funds. Absent explicit donor stipulations to the contrary, the Organization has interpreted the NYPMIFA as allowing the Organization to appropriate for expenditure or accumulate as much of an endowment fund as the Organization determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established.

The Board of Directors reserves the right to withdraw one half of a calendar/fiscal year’s gains for the purpose of capital improvements or special projects voted and approved by a majority of the Board. Gains include both dividend and interest income and realized and unrealized capital gains and losses earned by the Fund’s investments. The distribution of Fund assets are permitted to the extent that such distributions do not exceed a level that would erode the Fund’s real assets over time. The Fund’s targeted rate of return is 4% over inflation as measured by the Consumer Price Index and approved investments include temporary cash investments, equity and fixed income type investments. The Fund’s total assets may be allocated among these three classes of investment within the following parameters:

		Minimum	Target	Maximum
Equity	Total Equities	20%	70%	75%
	US	20%	45%	75%
	Non-US Developed	0%	15%	25%
	Non-US Emerging	0%	10%	15%
Fixed Income	Total Fixed Income	25%	30%	80%
	Investment Grade	25%	25%	80%
	Below Investment Grade	0%	5%	20%
Cash		0%	0%	15%

UNITED WAY OF NORTHERN NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 with Comparative Totals for 2019

NOTE 10 – ENDOWMENT - Continued

To the extent the Fund holds investments in non-traditional, non-liquid, and/or nonmarketable securities including but not limited to venture capital hedge funds and real estate investments, these assets will be treated collectively as alternative investments for purposes of measuring the Fund's asset allocation. While not specifically considered within the Fund's allocation policy, alternative investments may comprise no more than 5% of total Fund assets. Furthermore, no single investment security shall represent more than 10% of the Fund's total assets. With the exception of passively managed investment vehicles seeking to match the returns on a broadly diversified market index, no single investment pool or investment company (mutual fund) shall comprise more than 20% of the Fund's total assets. With respect to fixed income investments, for individual bonds, credit quality must be investment grade.

The Fund's assets are included in the following classes of net assets at December 31:

	2020	2019
Without Donor Restrictions		
Board Designated for Investments	\$ 1,389,019	\$ 1,310,651
Board Designated for Investments Held By Community Foundation	214,219	198,173
With Donor Restrictions		
Donor Designated for Investments	85,557	85,557
Donor Designated for Investments Held By Community Foundation	94,202	81,185
	<u>94,202</u>	<u>81,185</u>
Total Endowment Funds	<u>\$ 1,782,997</u>	<u>\$ 1,675,566</u>

UNITED WAY OF NORTHERN NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 with Comparative Totals for 2019

NOTE 10 – ENDOWMENT - Continued

Changes in fund assets for the year ended December 31, 2020 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment
Endowment, December 31, 2019	\$ 1,508,824	\$ 166,742	\$ 1,675,566
Contribution	-	5,160	5,160
Change In Value of Investments Held By Community Foundation	18,536	7,857	26,393
Interest and Dividends, Net	25,813	-	25,813
Unrealized Gain	77,706	-	77,706
Realized Loss	(25,402)	-	(25,402)
Appropriated for Expenditure	(2,239)	-	(2,239)
Endowment, December 31, 2020	<u>\$ 1,603,238</u>	<u>\$ 179,759</u>	<u>\$ 1,782,997</u>

Changes in fund assets for the year ended December 31, 2019 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment
Endowment, December 31, 2018	\$ 1,395,650	\$ 152,080	\$ 1,547,730
Contribution	-	1,500	1,500
Withdrawal	(140,000)	-	(140,000)
Change In Value of Investments Held By Community Foundation	33,567	13,162	46,729
Interest and Dividends, Net	35,259	-	35,259
Unrealized Gain	151,878	-	151,878
Realized Gain	39,528	-	39,528
Appropriated for Expenditure	(7,058)	-	(7,058)
Endowment, December 31, 2019	<u>\$ 1,508,824</u>	<u>\$ 166,742</u>	<u>\$ 1,675,566</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 with Comparative Totals for 2019

NOTE 10 – ENDOWMENT - Continued

The Organization interprets the applicable provisions of New York State Not-for-Profit Corporation Law to mean that the classification of appreciation on its permanently restricted endowment gifts, beyond the original gift amount, is not restricted for use, and is classified as unrestricted board designated for investment until appropriated for expenditure.

NOTE 11 – PENSION PLAN

The Organization has a 401K Profit Sharing plan. The plan covers employees with more than two years of service. The contribution as a percentage of each employee's salary is determined annually by the Board of Directors. The contribution to the plan was \$4,405 and \$8,155 for the years ending December 31, 2020 and 2019, respectively.

NOTE 12 – CONCENTRATIONS

The Organizations revenues are derived from contributions from the general public, including pledges, legacies and bequests. The Organization's fundraising efforts are concentrated in Jefferson, Lewis and St. Lawrence Counties in Northern New York.

NOTE 13 – LEASES

The Organization leases office space at 200 Washington Street, Watertown, New York. The Organization entered into a three-year lease on February 1, 2015 for \$23,848 annually ending January 31, 2018. The Organization renewed its lease effective June 1, 2018 for \$17,250 annually ending April 30, 2021. Rent expense for the years ended December 31, 2020 and 2019 was \$17,250 and \$17,250, respectively.

The Organization leased a copier from Advanced Business Systems in November 2016 with a 60-month term, with monthly payments of \$123. Copier lease expenses for both years ended December 31, 2020 and 2019 was \$1,472.

The Organization leased a vehicle from Romano Toyota Limited in December 2019 with a 36-month term, with monthly payments of \$400. Vehicle lease expense for the years ended December 31, 2020 and 2019 were \$4,798 and \$629, respectively.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 with Comparative Totals for 2019

NOTE 13 – LEASES - Continued

Total future minimum lease payments are summarized as follows:

2022	\$	11,774
2023		4,397
Total	\$	<u>16,171</u>

NOTE 14 – PAYCHECK PROTECTION PROGRAM

On April 14, 2020, the Organization received loan proceeds in the amount of \$71,065 under the Paycheck Protection Program (“PPP”). Established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), the PPP provides loans to qualifying businesses in amounts up to 2.5 times the business’s average monthly payroll expenses. PPP loans and accrued interest are forgivable after a “covered period” (8 or 24 weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries during the covered period. Any unforgiven portion of a PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for 10 months after the end of the covered period. The loan was forgiven on January 6, 2021.

The Organization initially recorded the loan as a refundable advance and subsequently recognized grant revenue in accordance with guidance for conditional contributions; that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. The Organization has recognized \$71,065 as grant revenue for the year ended December 31, 2020 and is recorded in other income

NOTE 15 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The following table reflects the Organizations financial assets at December 31, 2020 and 2019 that could readily be made available within one year of the Statement of Financial Position to fund expenses without limitations:

UNITED WAY OF NORTHERN NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 with Comparative Totals for 2019

NOTE 15 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS - Continued

	2020	2019
Financial Assets:		
Cash and Cash Equivalents	\$ 572,005	\$ 509,002
Accounts Receivable	1,779	3,844
Grants Receivable	14,502	94,873
Pledges Receivable, Net	367,175	193,333
Accrued Interest Receivable	3,163	3,572
Investments	1,294,874	1,308,357
Investments Held By Community Foundation	308,421	279,358
	<hr/>	<hr/>
Total Financial Assets	2,561,919	2,392,339
Less Those Unavailable for General Expenditure Within One Year Due To:		
Purpose Restrictions	(1,697,440)	(1,590,009)
Perpetuity Restrictions	(85,557)	(85,557)
	<hr/>	<hr/>
Total Unavailable for General Expenditure Within One Year	(1,782,997)	(1,675,566)
Total Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 778,922</u>	<u>\$ 716,773</u>

In addition to financial assets available to meet general expenditures over the year, the Organization operates with a balanced budget and anticipates covering its general expenditures by collecting sufficient contributions and revenue from government grants.