UNITED WAY OF NORTHERN NEW YORK, INC.

FINANCIAL STATEMENTS

December 31, 2021

Table of Contents

UNITED WAY OF NORTHERN NEW YORK, INC.

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 Audit of the Financial Statements

Opinion

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

In our opinion, the financial statements present fairly, in all material respects, the financial position of United Way of Northern New York, Inc. as of December 31, 2021, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of Northern New York, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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.

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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 of Northern New York, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor’s 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 auditor’s 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 and *Government 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.

In performing an audit in accordance with generally accepted auditing standards and *Government 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 of Northern New York, Inc.'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 of Northern New York, Inc.'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 Summarized Comparative Information

We have previously audited United Way of Northern New York, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 28, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2022, on our consideration of United Way of Northern New York, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of United Way of Northern New York, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering United Way of Northern New York, Inc.'s internal control over financial reporting and compliance.

Bowers & Company

Watertown, New York
June 28, 2022

STATEMENT OF FINANCIAL POSITION

December 31, 2021 with Comparative Totals for 2020

ASSETS	2021	2020
Cash and Cash Equivalents	$ 654,570	$ 572,005
Accounts Receivable	3,147	1,779
Grants Receivable	-	14,502
Pledges Receivable, Net	271,794	367,175
Accrued Interest Receivable	3,163	3,163
Prepaid Expenses	18,615	23,598
Investments	1,382,272	1,294,874
Investments Held By Community Foundation	334,307	308,421
Other Assets	1,199	-
Property and Equipment, Net	21,030	6,290
TOTAL ASSETS	$ 2,690,097	$ 2,591,807
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	$ 29,107	$ 13,960
Community Building Grants Payable	377,366	401,000
Due to Designated Agencies	174,702	149,001
Accrued Payroll and Related Expenses	12,357	8,203
Unearned Revenues	57,011	-
Other Liabilities	320	1,404
Total Liabilities	650,863	573,568
NET ASSETS		
Without Donor Restrictions		
Designated for Investments	1,471,026	1,389,019
Designated for Investments Held By Community Foundation	227,299	214,219
Designated for Property and Equipment	21,030	6,290
Undesignated	(141,361)	(75,090)
Total Net Assets Without Donor Restrictions	1,577,994	1,534,438
With Donor Restrictions		
Campaign Contributions Subject to Time Restriction	268,675	304,042
Subject to Restriction for Specific Purpose	107,008	94,202
Subject to Restriction in Perpetuity	85,557	85,557
Total Net Assets With Donor Restrictions	461,240	483,801
Total Net Assets	2,039,234	2,018,239
TOTAL LIABILITIES AND NET ASSETS	$ 2,690,097	$ 2,591,807

See notes to financial statements.

STATEMENT OF ACTIVITIES

Year Ended December 31, 2021 with Summarized Totals for December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Totals 2021	Totals 2020 (Summarized)
SUPPORT AND REVENUES				
Campaign Contributions	$ 48,131	$ -	$ 48,131	$ 46,941
Less: Donor Designations	(48,131)	-	(48,131)	(46,941)
Total Campaign	-	-	-	-
Contributions	347,469	274,856	622,325	828,724
Less: Donor Designations	-	(6,181)	(6,181)	(10,000)
Total Contributions, Net	347,469	268,675	616,144	818,724
Grant Revenues	180,909	-	180,909	351,946
Special Events	9,561	-	9,561	15,285
SEFA Fees	5,557	-	5,557	9,629
Interest and Dividends, Net	36,858	-	36,858	25,813
Gain (Loss) on Disposal of Property and Equipmen	653	-	653	(398)
Unrealized Gain on Investments	70,670	-	70,670	77,706
Realized Gain (Loss) on Investments	52,522	-	52,522	(25,402)
Change in Value of Investments Held By Community Foundation	29,895	12,806	42,701	26,393
In-Kind Donations	15,367	-	15,367	175,768
Miscellaneous	50,810	-	50,810	166,961
Net Assets Released From Restrictions	304,042	(304,042)	-	-
Total Support and Revenues	1,104,313	(22,561)	1,081,752	1,642,425
EXPENSES				
Program Services				
Community Building	634,745	-	634,745	514,741
COVID-19 Crisis Support	89,694	-	89,694	584,194
Poverty Reduction Initiative	102,828	-	102,828	64,981
Supporting Services				
Fundraising	141,074	-	141,074	144,041
Administration	92,416	-	92,416	86,694
Total Expenses	1,060,757	-	1,060,757	1,394,651
CHANGE IN NET ASSETS	43,556	(22,561)	20,995	247,774
NET ASSETS, BEGINNING OF YEAR	1,534,438	483,801	2,018,239	1,770,465
NET ASSETS, END OF YEAR	$ 1,577,994	$ 461,240	$ 2,039,234	$ 2,018,239

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2021 with Summarized Totals for December 31, 2020

	Program Services				Supporting Services			Totals	
	Community Building	COVID-19 Crisis Support	Poverty Reduction Initiative	Total Program Services	Fundraising	Administration	Total Supporting Services	2021	2020 (Summarized)
Salaries and Wages	$ 200,895	$ 4,261	$ 7,914	$ 213,070	$ 68,685	$ 56,184	$ 124,869	$ 337,939	$ 252,446
Employee Benefits	30,099	987	-	31,086	9,868	8,388	18,256	49,342	46,282
Payroll Taxes	16,693	561	657	17,911	5,477	4,655	10,132	28,043	20,081
Total Salaries and Related Expenses	247,687	5,809	8,571	262,067	84,030	69,227	153,257	415,324	318,809
Campaign Promotions	-	-	-	-	10,856	-	10,856	10,856	15,965
Cleaning Supplies	-	-	-	-	-	-	-	-	278,147
Credit Card Fees	2,093	-	-	2,093	1,340	753	2,093	4,186	3,454
Dues	18,506	-	-	18,506	-	-	-	18,506	16,870
Grants	282,320	77,589	94,257	454,166	-	-	-	454,166	443,884
Infant Supplies	-	-		-	-	-	-	-	103,892
Insurance	4,348	-	-	4,348	2,783	1,565	4,348	8,696	5,622
Marketing	5,948	-	-	5,948	9,307	2,142	11,449	17,397	9,153
Miscellaneous	3,846	-	-	3,846	5,642	3,333	8,975	12,821	-
Occupancy	9,325	-	-	9,325	5,968	3,357	9,325	18,650	17,250
Office Expenses	11,400	-	-	11,400	7,296	4,103	11,399	22,799	3,893
Postage	620	-	-	620	397	223	620	1,240	847
Professional Services	12,530	-	-	12,530	8,019	4,511	12,530	25,060	26,562
Protective Equipment	-	6,296		6,296	-	-	-	6,296	92,638
Repairs and Maintenance	518	-	-	518	332	187	519	1,037	5,883
Telephone	2,218	-	-	2,218	1,420	799	2,219	4,437	3,547
Training	-	-	-	-	-	144	144	144	26,356
Travel	3,413	-	-	3,413	2,185	1,229	3,414	6,827	5,614
Provision for Uncollectible Pledges	27,632	-	-	27,632	-	-	-	27,632	14,309
Depreciation	2,341	-	-	2,341	1,499	843	2,342	4,683	1,956
Total Expenses	$ 634,745	$ 89,694	$ 102,828	$ 827,267	$ 141,074	$ 92,416	$ 233,490	$ 1,060,757	$ 1,394,651

See notes to financial statements.

STATEMENT OF CASH FLOWS
Year Ended December 31, 2021 with Comparative Totals for 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 20,995	$ 247,774
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided By Operating Activities:		
Depreciation	4,683	1,956
Adjustment to Allowance for Pledges Receivable	1,579	(741)
Provision for Uncollectible Pledges	27,632	14,309
(Gain) Loss on Disposal of Property and Equipment	(653)	398
Realized (Gain) Loss on Investments	(52,522)	25,402
Unrealized Gain on Investments	(70,670)	(77,706)
Change in Value of Investments Held By Community Foundation	(42,701)	(26,393)
(Increase) Decrease in Operating Assets:		
Accounts Receivable	(2,947)	2,806
Grants Receivable	14,502	80,371
Pledges Receivable, Net	67,749	(188,151)
Accrued Interest Receivable	-	409
Other Assets	(1,199)	-
Prepaid Expenses	4,983	(335)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	15,147	(50,211)
Community Building Grants Payable	(23,634)	6,827
Due to Designated Agencies	25,701	(27,089)
Accrued Payroll and Related Expenses	4,154	3,900
Unearned Revenues	57,011	(11,723)
Other Current Liabilities	(1,084)	1,335
Net Cash Provided by Operating Activities	48,726	3,138
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(190,916)	(325,167)
Proceeds from Sale of Investments	226,710	390,954
Deposit to Investment in the Community Foundation	-	(5,160)
Grant from Investment in the Community Foundation	16,815	2,490
Purchase of Property and Equipment	(21,370)	(3,852)
Proceeds from Sale of Property and Equipment	2,600	600
Net Cash Provided By Investing Activities	33,839	59,865
Net Increase in Cash	82,565	63,003
Cash and Cash Equivalents, Beginning of Year	572,005	509,002
Cash and Cash Equivalents, End of Year	$ 654,570	$ 572,005

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS
December 31, 2021 with Comparative Totals for 2020

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.

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. 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 considered unconditional promises to give and 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.

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.

NOTES TO FINANCIAL STATEMENTS
December 31, 2021 with Comparative Totals for 2020

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES - Continued

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 over four to seven years 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

The Organization is the recipient of grants that require expenditures for specified activities before the Organization is reimbursed by the grantor for the costs incurred. The amount received in excess of amounts spent is reported as unearned revenue.

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, 2021 with Comparative Totals for 2020

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, 2021 and 2020, 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, 2021 and 2020, the Organization's accounts exceeded federally insured limits by $85,771 and $44,964, 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 $174,311 and $179,702 at December 31, 2021 and 2020, respectively.

NOTES TO FINANCIAL STATEMENTS
December 31, 2021 with Comparative Totals for 2020

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 2020, 2019, and 2018 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, COVID-19 crisis support, poverty reduction, and supporting services. 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 on a personnel-cost basis. Salaries, wages, and benefits are allocated based on estimates of time and effort.

NOTES TO FINANCIAL STATEMENTS
December 31, 2021 with Comparative Totals for 2020

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES - Continued

Marketing

Marketing costs are charged to expense as incurred. Marketing expense was $17,397 and $9,153 for the years ended December 31, 2021 and 2020, respectively.

Statement of Cash Flows

There were no noncash investing and financing activities during 2021 and 2020.

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. 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 sources.

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, 2021 with Comparative Totals for 2020

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, 2021 through June 28, 2022, which is date the financial statements were available to be issued.

NOTES TO FINANCIAL STATEMENTS
December 31, 2021 with Comparative Totals for 2020

NOTE 3 – CASH AND CASH EQUIVALENTS

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

	2021	2020
Key Bank	$ 91,555	$ 51,904
Watertown Savings Bank	327,267	287,454
Community Bank	60,937	52,845
RBC Wealth Management	174,311	179,702
Petty Cash	500	100
Total Cash and Cash Equivalents	$ 654,570	$ 572,005

NOTE 4 – PLEDGES RECEIVABLE, NET

Pledges receivable consist of the following at December 31:

	2021	2020
Pledges Receivable	$ 319,490	$ 413,292
Less: Allowance for Uncollectible Pledges	(47,696)	(46,117)
Pledges Receivable, Net	$ 271,794	$ 367,175

NOTE 5 – INVESTMENTS

Investments in marketable securities consist of the following at December 31, 2021:

	Cost	Fair Value	Carrying Value
Fixed Income	$ 419,571	$ 448,004	$ 448,004
Equity Securities	641,189	901,682	901,682
Other Assets	20,539	32,586	32,586
Total	$ 1,081,299	$ 1,382,272	$ 1,382,272

NOTES TO FINANCIAL STATEMENTS
December 31, 2021 with Comparative Totals for 2020

NOTE 5 – INVESTMENTS - Continued

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	18,877	24,077	24,077
Total	$ 1,064,571	$ 1,294,874	$ 1,294,874

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 $16,815 and $2,490 for the years ended December 31, 2021 and 2020, 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:

	2021	2020
United Way Endowment	$ 227,299	$ 214,219
Boys and Girls Club Endowment	41,735	36,740
Renee Byer Fund	65,273	57,462
Total Investments Held By Community Foundation	$ 334,307	$ 308,421

NOTES TO FINANCIAL STATEMENTS
December 31, 2021 with Comparative Totals for 2020

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, 2021 and 2020 were $244,353 and $223,886, 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 $9,322 and $1,211 for the years ended December 31, 2021 and 2020, 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:

	2021	2020
Office Furniture and Fixtures	$ 74,052	$ 55,906
Less: Accumulated Depreciation	(53,022)	(49,616)
Property and Equipment, Net	$ 21,030	$ 6,290

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:

NOTES TO FINANCIAL STATEMENTS
December 31, 2021 with Comparative Totals for 2020

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, 2021:

	Fair Value	Level 1	Level 2	Level 3
Fixed Income	$ 448,004	$ 448,004	$ -	$ -
Equity Securities	901,682	901,682	-	-
Investments Held By Community Foundation	334,307	-	334,307	-
Other Assets	32,586	32,586	-	-
	$ 1,716,579	$ 1,382,272	$ 334,307	$ -

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	24,077	24,077	-	-
Total	$ 1,603,295	$ 1,294,874	$ 308,421	$ -

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

NOTES TO FINANCIAL STATEMENTS
December 31, 2021 with Comparative Totals for 2020

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, 2021 and 2020 in the amount of $304,042 and $153,519, respectively.

Net assets with donor restrictions subject to restriction in perpetuity consist of the following bequests as of December 31, 2021 and 2020:

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	48,579
Total Net Assets With Donor Restrictions Subject to Restriction in Perpetuity		$ 85,557

NOTES TO FINANCIAL STATEMENTS
December 31, 2021 with Comparative Totals for 2020

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 Incon	Total Fixed Income	25%	30%	80%
	Investment Grade	25%	25%	80%
	Below Investment Grade	0%	5%	20%
Cash		0%	0%	15%

NOTES TO FINANCIAL STATEMENTS
December 31, 2021 with Comparative Totals for 2020

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:

	2021	2020
Without Donor Restrictions		
Board Designated for Investments	$ 1,471,026	$ 1,389,019
Board Designated for Investments Held By Community Foundation	227,299	214,219
With Donor Restrictions		
Donor Designated for Investments	85,557	85,557
Donor Designated for Investments Held By Community Foundation	107,008	94,202
Total Endowment Funds	$ 1,890,890	$ 1,782,997

NOTES TO FINANCIAL STATEMENTS
December 31, 2021 with Comparative Totals for 2020

NOTE 10 – ENDOWMENT - Continued

Changes in fund assets for the year ended December 31, 2021 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment
Endowment, December 31, 2020	$ 1,603,238	$ 179,759	$ 1,782,997
Change In Value of Investments Held By Community Foundation	29,895	12,806	42,701
Interest and Dividends, Net	36,815	-	36,815
Unrealized Gain	70,670	-	70,670
Realized Gain	52,522	-	52,522
Appropriated for Expenditure	(94,815)	-	(94,815)
Endowment, December 31, 2021	$ 1,698,325	$ 192,565	$ 1,890,890

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	$ 1,603,238	$ 179,759	$ 1,782,997

NOTES TO FINANCIAL STATEMENTS
December 31, 2021 with Comparative Totals for 2020

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 $21,360 and $4,405 for the years ending December 31, 2021 and 2020, 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 leased 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, 2021 and 2020 was $7,188 and $17,250, respectively.

The Organization leases office space at 120 Washington Street, Watertown, New York. The Organization entered into a three-year lease on July 1, 2021 for $19,650 annually ending June 30, 2024. Rent expense for the year ended December 31, 2021 was $11,463.

The Organization leased a copier from Advanced Business Systems in November 2016 with a 60-month term, with fixed monthly payments of $123. The lease expired in August 2021. Copier lease expenses for the years ended December 31, 2021 and 2020 was $858 and $1,472, respectively.

NOTES TO FINANCIAL STATEMENTS
December 31, 2021 with Comparative Totals for 2020

NOTE 13 – LEASES - Continued

The Organization leased a copier from Advanced Business Systems in September 2021 with a 36-month term, with fixed monthly payments of $137 plus usage. Copier lease expense for the year ended December 31, 2021 was $1,059.

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, 2021 and 2020 were $4,798 and $629, respectively.

Total future minimum lease payments are summarized as follows:

2022	$	25,723
2023		20,767
2024		9,825
Total	$	56,315

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.

NOTES TO FINANCIAL STATEMENTS
December 31, 2021 with Comparative Totals for 2020

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, 2021 and 2020 that could readily be made available within one year of the Statement of Financial Position to fund expenses without limitations:

	2021	2020
Financial Assets:		
Cash and Cash Equivalents	$ 654,570	$ 572,005
Accounts Receivable	3,147	1,779
Grants Receivable	-	14,502
Pledges Receivable, Net	271,794	367,175
Accrued Interest Receivable	3,163	3,163
Investments	1,382,272	1,294,874
Investments Held By Community Foundation	334,307	308,421
Total Financial Assets	2,649,253	2,561,919
Less Those Unavailable for General Expenditure Within One Year Due To:		
Purpose Restrictions	(1,805,333)	(1,697,440)
Perpetuity Restrictions	(85,557)	(85,557)
Total Unavailable for General Expenditure Within One Year	(1,890,890)	(1,782,997)
Total Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 758,363	$ 778,922

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.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of United Way of Northern New York, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 28, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered United Way of Northern New York, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of United Way of Northern New York, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of United Way of Northern New York, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether United Way of Northern New York, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bowers & Company

Watertown, New York
June 28, 2022

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To the Board of Directors of
United Way of Northern New York, Inc.

In planning and performing our audit of the financial statements of United Way of Northern New York, Inc. as of and for the year ended December 31, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered United Way of Northern New York, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency. The following summarizes our comments and recommendations regarding these matters.

Conflict of Interest Annual Statements

We noted that annual conflict of interest statements were not completed by board members and employees during the current year.

Recommendation

The Organization has an established conflict of interest policy and procedures. As part of this process, board members and employees are required to complete an annual statement acknowledging they are not engaged in activities that would be prohibited under that policy.

Segregation of Duties

Internal controls are designed to safeguard assets and help or detect losses from employee dishonesty or error. A fundamental concept in a good system of internal control is the segregation of duties. Although the size of the Organization's accounting staff prohibits complete adherence to this concept, additional practices could be implemented to improve existing internal controls.

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Recommendation

Due to the size of the Organization, segregation of duties will continue to be limited and at a level susceptible to risk. We recommend that internal control procedures continue to be monitored and updated to provide the best segregation over cash and accounting reporting functions as the Organization can permit.

Outstanding Checks

We noted that some checks and deposits on the bank reconciliations have been outstanding for long periods of time, in some instances for a year or more.

Recommendation

We recommend that the lists of outstanding checks and deposits on the bank reconciliations be reviewed regularly and that all items not returned by the banks within a reasonable period be investigated. We recommend that checks and other uncleared reconciling items that are over one year be investigated and removed from the bank reconciliation and that the original transaction be reversed.

Cash Basis Trial Balance

At present, the Organization is preparing its financial statements and maintaining the general ledger on the cash basis of accounting. Applicable entries for the accrual basis reporting of pledges receivable, grants payable, or amounts due to designated agencies for example are not being adjusted and reported as such throughout the year.

Recommendation

We recommend that the accrual basis of accounting be used consistently going forward. The accrual basis is required by generally accepted accounting principles since it results in financial statements that reflect the complete effects of an Organization's financial transactions for a period. Since the main operations of the Organization are pledges, which would be recognized when earned rather than when the cash is received, the change in the basis of accounting has a material effect on the financial statements, which is seen by the significant audit adjustments.

We also noted that general ledger account numbers for receivables from the prior year are being renamed in the current year to record new general ledger accounts receivable. The effect is the current year and prior account balances no longer coincide on the trial balance. This creates additional journal entries to reinstate receivable balances to the correct amounts. We recommend creating new account numbers instead of using old account numbers for new receivables.

Allowance Policy

The Organization does not have a written policy or standard process for evaluating and adjusting the allowance for uncollectible receivables. The allowance was not adjusted or calculated by management in the current year. We provided an updated methodology and calculation for the allowance in 2020 based on prior year write-off amounts. There is also not a documented approval process for write-off of uncollectible receivables.

Recommendation

We recommend that management objectively evaluate the allowance account on a regular basis to determine if it is adequate and consider whether material adjustments should be made. The evaluation should consider the need for both increases and decreases to the account. The calculation and adjustment of the allowance should be approved by the Board of Directors on a regular basis, at minimum annually.

Any write-off of uncollectible amounts should also be approved and documented by the Board of Directors. Overall, we recommend the Organization adopt a written policy on the review process of receivables, the allowance calculation, and the approval process for write-offs and necessary journal entries.

We wish to thank the staff and the board of directors for their support and assistance during our audit.

This report is intended solely for the information and use of the Board of Directors, management and others within the Organization and is not intended to be and should not be used by anyone other than these specified parties.

Bowers & Company

Watertown, New York
June 28, 2022

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June 28, 2022

To the Board of Directors
United Way of Northern New York, Inc.

We have audited the financial statements of United Way of Northern New York, Inc. for the year ended December 31, 2021, and have issued our report thereon dated June 28, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 21, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by United Way of Northern New York, Inc. are described in Note 2 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2021. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

> Management's estimate of depreciation expense is based on estimated useful lives of fixed assets. We evaluated the key factors and assumptions used to develop the estimated useful lives of fixed assets in determining that it is reasonable in relation to the financial statements taken as a whole.

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> Management's estimate of an allowance on pledges receivable is based on prior year uncollectible amounts. We evaluated the key factors and assumptions used to develop the allowance on pledges receivable in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The attached material misstatements detected as a result of audit procedures were correct by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 28, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of United Way of Northern New York, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Bowers & Company

Attached Material Misstatements:

Adjusting Journal Entries JE # 1				
to correct client entry for PY audit adjustment				
11000-G	Accounts Receivable	40,934.00		
1100-00	Accounts receivable			40,934.00
Total		**40,934.00**		**40,934.00**
Adjusting Journal Entries JE # 3				
To adjust UW pledges to actual				
2100-46	Due to donor Desig Agencies	22,131.00		
63000-1	United Way Uncollectable	46,661.00		
1100-13	2019 United Way Pledges			46,661.00
1100-24	2020 United Way Pledges			10,111.00
1100-26	2021 United Way Pledges			12,020.00
Total		**68,792.00**		**68,792.00**
Adjusting Journal Entries JE # 7				
To record NNY SEFA liability				
2100-45	Due to SLC SEFA	54,993.00		
6000-40	Agency alloc-NNY SEFA	44,783.00		
2100-40	Due to JL SEFA			99,776.00
Total		**99,776.00**		**99,776.00**
Adjusting Journal Entries JE # 11				
To reallocated unexpended portion of Mother Cabrini reimbursable grant				
3999-23	Grants	49,911.00		
2030-G	Deferred Grant Revenue			49,911.00
Total		**49,911.00**		**49,911.00**

Adjusting Journal Entries JE # 16				
To adjust SEFA Expenses to actual				
6000-45	Agency alloc-SLC SEFA	23,861.00		
7500	Provision for Pledges Receivable	14,202.00		
6000-40	Agency alloc-NNY SEFA			38,063.00
Total		**38,063.00**		**38,063.00**
Adjusting Journal Entries JE # 18				
To record investment activity./JKR				
1901	NNYCF Renee Byer Fund	7,811.00		
1902	NNYCF Endowment	13,080.00		
1903	NNYCF Boys & Girls Club	4,995.00		
4000-06	2019 United Way Campaign	16,815.00		
4094	Change in Account - NNYCF			42,701.00
Total		**42,701.00**		**42,701.00**
Adjusting Journal Entries JE # 23				
to adjust Edwards Knox Contract receivable to actual				
3999-30	Edward-Knox Contract	31,704.00		
1100-00	Accounts receivable			31,704.00
Total		**31,704.00**		**31,704.00**