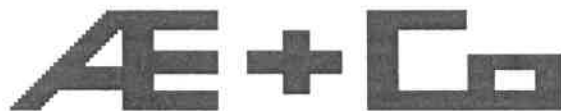


**United Way of the Adirondack Region, Inc.**

**Financial Statements**

**December 31, 2022**



**Alexander Edwards and Company, CPAs, P.C.**

Certified Public Accountants and Business Consultants

**United Way of the Adirondack Region, Inc.**

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**INDEPENDENT ACCOUNTANT'S AUDIT REPORT**

**To the Board of Directors  
United Way of the Adirondack Region, Inc.**

**Opinion**

We have audited the accompanying financial statements of United Way of the Adirondack Region, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows - indirect method for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of the Adirondack Region, Inc. as of December 31, 2022, and the changes in the 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. 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 the Adirondack Region, 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.

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 the Adirondack Region, 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 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 judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement 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 the Adirondack Region, 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 overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of the Adirondack Region, 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 Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of General Allocation to Agencies and SEFA Allocation to Member Agencies on pages 18 through 19 are presented for the purpose of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Plattsburgh, New York

November 17, 2023

*Alexander Edwards and Company*

**United Way of the Adirondack Region, Inc.**  
**Statement of Financial Position**  
**As of December 31, 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	\$ 170,378	\$191,546	\$ 361,924
Investments at fair value	622,981	-0-	622,981
Grants Receivable	8,595	-0-	8,595
Pledges Receivable	115,846	240,987	356,833
Allowance for Uncollectable Pledges	<u>(33,250)</u>	<u>-0-</u>	<u>(33,250)</u>
<b>TOTAL CURRENT ASSETS</b>	<u>884,550</u>	<u>432,533</u>	<u>1,317,083</u>
<b>Property, Plant, and Equipment, Net</b>	<u>145,544</u>	<u>-0-</u>	<u>145,544</u>
<b>TOTAL ASSETS</b>	<u>\$1,030,094</u>	<u>\$432,533</u>	<u>\$1,462,627</u>
 <b>LIABILITIES AND NET ASSETS</b>			
<b>Current Liabilities</b>			
Accounts Payable and Accrued Expenses	\$ 38,514	\$ -0-	\$ 38,514
Agency Allocations Payable	8,781	-0-	8,781
Positive Designations Payable	-0-	232,198	232,198
Other Liabilities	<u>2,737</u>	<u>-0-</u>	<u>2,737</u>
<b>TOTAL LIABILITIES</b>	<u>50,032</u>	<u>232,198</u>	<u>\$ 282,230</u>
 <b>Commitments and Contingency</b>			
<b>Net Assets</b>			
<b>Without Donor Restrictions</b>			
Undesignated	342,958	-0-	\$ 342,958
Board Designated	637,104	-0-	637,104
<b>Net Assets with Donor Restrictions</b>	<u>-0-</u>	<u>200,335</u>	<u>200,335</u>
<b>TOTAL NET ASSETS</b>	<u>980,062</u>	<u>200,335</u>	<u>1,180,397</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$1,030,094</u>	<u>\$432,533</u>	<u>\$1,462,627</u>

See accompanying notes and independent Accountant's Review report.

**United Way of the Adirondack Region, Inc.**  
**Statement of Activities**  
**For the Year Ended December 31, 2022**

	Without Donor Restrictions	With Donor Restrictions	Totals
<b>REVENUES, GAINS AND OTHER SUPPORT</b>			
Campaign Pledges	\$ 280,550	\$ 450,196	\$ 730,746
Positive Designations	-0-	(232,198)	(232,198)
<b>Total Contributions</b>	<u>280,550</u>	<u>217,998</u>	<u>498,548</u>
<b>Other Revenue</b>			
Grants	43,667	-0-	43,667
United Way Allocation	136,583	-0-	136,583
Special Events Income (Note 11)	19,360	-0-	19,360
Cost of Events (Note 11)	(12,444)	-0-	(12,444)
Investment Income/(Loss) (Note 4)	(127,053)	-0-	(127,053)
Miscellaneous Income-Pass Through Funds	100,000	-0-	100,000
Net Assets Released from Time Restrictions	<u>150,283</u>	<u>(150,283)</u>	<u>-0-</u>
<b>Total Other Revenue</b>	<u>310,396</u>	<u>(150,283)</u>	<u>160,113</u>
<b>Total Revenue, Gains and Other Support</b>	590,946	67,715	658,661
<b>Allocations and Expenses</b>			
Community Allocations	181,252	-0-	181,252
Community Services	430,029	-0-	430,029
Management and General	109,783	-0-	109,783
Fundraising	16,072	-0-	16,072
<b>Total Allocations and Expenses</b>	<u>737,136</u>	<u>-0-</u>	<u>737,136</u>
<b>Change in Net Assets</b>	<u>(146,190)</u>	<u>67,715</u>	<u>(78,475)</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>1,126,252</u>	<u>132,620</u>	<u>1,258,872</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 980,062</u>	<u>\$ 200,335</u>	<u>\$1,180,397</u>

See accompanying notes and independent Accountant's Review report.

**United Way of the Adirondack Region, Inc.**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2022**

	<u>Program Activities</u>		<u>Support Services</u>		<u>Total</u>
	<u>Community Alloc.</u>	<u>Community Svcs.</u>	<u>Management And General</u>	<u>Fundraising</u>	
<b>Employee Compensation:</b>					
Staff Salaries	\$ -0-	\$118,298	\$ 67,035	\$ 11,830	\$197,163
Payroll Taxes/Insurance	-0-	10,444	5,918	1,044	17,406
Pension Plan	-0-	7,880	4,466	788	13,134
Health Insurance	-0-	5,836	3,307	583	9,726
<b>Total Employee Compensation</b>	<u>-0-</u>	<u>142,458</u>	<u>80,726</u>	<u>14,245</u>	<u>237,429</u>
<b>Operating Expenses:</b>					
Allocation to member Agencies	444,461	-0-	-0-	-0-	444,461
Positive Designations	(263,209)	-0-	-0-	-0-	(263,209)
	<u>181,252</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>181,252</u>
Bank and Credit Card Fees	-0-	3,181	-0-	561	3,742
Building Maintenance	-0-	5,563	3,708	-0-	9,271
Campaign Supplies	-0-	3,269	2,179	-0-	5,448
Telephone/Internet	-0-	4,921	2,789	492	8,202
Conference and Meetings	-0-	1,805	1,023	181	3,009
Depreciation	-0-	6,401	4,268	-0-	10,669
Dues and Subscriptions	-0-	19,795	-0-	-0-	19,795
Grant Expenditures	-0-	184,241	-0-	-0-	184,241
New York Filing Fees	-0-	165	110	-0-	275
Insurance	-0-	3,068	2,045	-0-	5,113
Marketing and Public Relations	-0-	2,005	-0-	-0-	2,005
Miscellaneous	-0-	5,534	3,689	-0-	9,223
Office Supplies and Expense	-0-	2,284	1,294	228	3,806
Postage	-0-	1,802	1,022	180	3,004
Professional Fees	-0-	5,100	3,400	-0-	8,500
Lease Expenses	-0-	1,198	679	119	1,996
Repairs and Maintenance	-0-	2,081	1,387	-0-	3,468
Staff Travel	-0-	661	375	66	1,102
Uncollectable Pledges	-0-	32,863	-0-	-0-	32,863
Utilities	-0-	1,634	1,089	-0-	2,723
<b>Total Operating Expenses</b>	<u>181,252</u>	<u>287,571</u>	<u>29,057</u>	<u>1,827</u>	<u>499,707</u>
<b>Total Compensation and Operating Expenses</b>	<u>\$181,252</u>	<u>\$430,029</u>	<u>\$109,783</u>	<u>\$ 16,072</u>	<u>\$737,136</u>

See accompanying notes and independent Accountant's Review report.



**United Way of the Adirondack Region, Inc.  
Statement of Cash Flows - Indirect Method  
For the Year Ended December 31, 2022**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Increase in Net Assets	\$ (78,475)
<b>Adjustments to Reconcile Increase/(Decrease) in Net Cash Provided by Operating Activities:</b>	
Realized and Unrealized(Gain)/Loss on Investments	142,626
Depreciation and Amortization	10,669
<b>Decrease (Increase) in Assets</b>	
Pledges Receivable, Net of Uncollectible Allowance	(38,864)
Grants Receivable	2,489
<b>(Increase) Decrease in Liabilities</b>	
Accounts Payable and Accrued Expenses	(31,880)
Agency Allocations Payable	(6,905)
Positive Designations Payable	(31,011)
Other Liabilities	(30,524)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>(61,875)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of Investments	(191,550)
Proceeds from Sale of Investments	208,029
Additions to Land, Building and Equipment	(19,400)
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<u>(2,921)</u>
 <b>NET INCREASE IN CASH</b>	(64,796)
 <b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH BEGINNING OF YEAR</b>	<u>426,720</u>
 <b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH END OF YEAR</b>	<u>\$ 361,924</u>

**Supplemental Disclosure of Cash Flow Information:**

**Other Disclosures:**

Taxes Paid	\$ -0-
Interest Paid	\$ -0-

See accompanying notes and independent Accountant's Review report.

**United Way of the Adirondack Region, Inc.**

**Notes to Financial Statements**

**December 31, 2022**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Activities - United Way of the Adirondack Region, Inc. (the Organization), is a non-profit human services organization established to collectively campaign for funds to distribute to participating non-profit member agencies and to coordinate a variety of programs, initiatives and events. The Organization is one of 1,300 independent and autonomous chapters of the United Ways' Worldwide. The Organization conducts its activities in Clinton, Essex and Franklin counties of New York. The Organization is run by a voluntary board of directors who serve on the board for an unlimited number of two-year terms.

The Organization assesses communities' health and human services needs, operates and/or coordinates numerous programs, raises money through its annual campaign, and distributes funds to meet those needs through an allocations process. Funds are solicited from businesses, employees of those businesses and individuals within the Organization's area of operations during the annual campaign, which runs each year from August through February of the following year. The Allocations Committee, comprised of 12 volunteers, reviews applications, visits agencies, and makes recommendations to the board of directors for the distribution of unrestricted contributions to local organizations.

Basis of Accounting - The financial statements of United Way of the Adirondack Region, Inc. have been prepared on the accrual basis of accounting.

Revenue Recognition - The standard outlines a single comprehensive model for entities to use in accounting for revenues arising from contracts with customers. Central to the revenue recognition framework is a five-step revenue recognition model that requires reporting entities to:

1. Identify the contract,
2. Identify the performance obligations of the contract,
3. Determine the transaction price of the contract,
4. Allocate the transaction price to the performance obligations, and
5. Recognize revenue.

The Organization's revenue is recognized at a point in time based on the transfer of control of the goods and/or services to the customer in an amount that reflects the construction the Organization expects to be entitled to in exchange for those goods and/or services. In addition, the majority of the Organization's contracts do not contain variable consideration and contract modifications are generally minimal.

Conditional and unconditional contributions and grants fall under the guidance of ASU 2018-08, Subtopic 958-605. All other revenues are considered exchange transactions and fall under guidance of ASC 606.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Revenue Recognition (continued)

Grant income and public support are recorded as support in the year received. All grant income and contributions are available for unrestricted use unless specifically restricted by the donor. Grantor and donor restricted income are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the income is received. A transaction is considered a contribution if the commensurate values is not reciprocated between the two parties. If commensurate values is reciprocated, then the transaction is considered an exchange transaction. Conditional contributions are accounted for as a liability, or are not recognized as a revenue initially, until the barriers to entitlement are satisfied, at which point a transaction is recognized as unconditional and classified as net assets without donor restriction.

Distribution to Agencies - Unconditional promises to give cash to member agencies are recognized as positive designations payable and later recorded as allocation to member agencies at the time the Board of Directors authorizes payment.

Cash and Cash Equivalents - For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Cash that is restricted based on donor designations at the time pledges are received are not available for operating purposes.

Concentrations of Credit Risk - Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of temporary cash investments. The Organization maintains its cash balances in various financial institutions. All accounts at each institution are insured up to \$250,000 by the Federal Deposit Insurance Corporation. At December 31, 2022, the Organization had no uninsured deposits.

The Organization maintains an account with a stock brokerage firm. The account contains cash and securities. Balances are insured up to \$500,000 (with a limit of \$100,000 for cash) by the Securities Investor Protection Corporation.

Promises to Give - Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases with donor restrictions or without donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets are reclassified to net assets without donor restrictions.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Net Asset Classifications - Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions: Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions: Net assets to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Advertising - Advertising costs are charged to operations when incurred. Advertising costs for the year ending December 31, 2022 was \$2,005.

Property, Plant and Equipment - Property, plant and equipment are stated at cost and depreciated or amortized for financial reporting on the straight-line method over the estimated useful lives of the assets. Estimated useful lives are as follows:

Building	40 Years
Equipment	5-10 Years

Maintenance, repairs and minor betterments are charged to operations as incurred while major additions and improvements are capitalized. When assets are sold, retired or otherwise disposed of, the applicable costs and accumulated depreciation or amortization are removed from the books and any resulting gain or loss is recognized.

Income Taxes - The Organization is exempt from Federal Income taxes under Section 501(c)(3) of the Internal Revenue Code and, therefore, has made no provision for Federal Income taxes in the accompanying financial statements. Tax years open for Internal Revenue Service review are December 31, 2019 to current.

Management has determined that the Organization does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements and related disclosures.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Functional Allocation of Expenses - All expenses that are directly identifiable are charged to the Organization's program services, management and general services, or fundraising services. Payroll and benefits are allocated to program, management and general services and fundraising services based on the time studies, as well as rolls and responsibilities of various staff members. Other costs have been allocated among program and support services benefited.

Investment Valuation - Investments are reported at fair value. 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. See Note 5 to these financial statements for a discussion of fair value measurements. 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. Net investment return (loss) is reported in the statement of activities and consists of interest and dividend income realized and unrealized gains and losses, less external and direct internal investment expenses.

In-Kind Contributions - A substantial number of volunteers have contributed significant amounts of time to the Organization's fundraising campaigns and program services. These services do not meet the criteria for recognition under generally accepted accounting principles; accordingly, the value of volunteer time has not been reflected.

Risks and Uncertainties - The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the Organization's account balances and the amounts reported in the statement of financial position.

## **NOTE 2 - AVAILABLE RESOURCES AND LIQUIDITY**

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while striving to maximize its available funds. For purposes of analyzing resources available to meet general expenditures over the 12-month period, the Organization considers all expenditures related to its ongoing community service programs as well as the services undertaken to support this activity to be general expenditures. In addition to financial assets available to meet general expenditures over the next 12 months, the Organization's spending policy for its board-designated endowment allows for appropriating the earnings from each year to be available for general operations.

**NOTE 2 - AVAILABLE RESOURCES AND LIQUIDITY (CONTINUED)**

At December 31, 2022, the following tables show the total financial assets held by the Organization and the amount of those financial assets can be made available within one year of the statement of financial position date to meet general expenditures.

Financial Assets at Year-End:

Cash and Cash Equivalents	\$ 361,924
Investments	622,981
Grants Receivable	8,595
Pledges Receivable, Net	354,752
Total Financial Assets at Year-End	<u>\$1,348,252</u>

Financial assets available to meet current liabilities and general expenditures over the next 12 months:

Cash and Cash Equivalents	\$ 347,801
Grants Receivable	8,595
Pledges Receivable, Net	354,752
Total Financial Assets at Year-End	<u>\$ 711,148</u>

Current liabilities due in the next 12 months:

Accounts Payable and Accrued Expenses	\$ 38,514
Agency Allocations Payable	8,781
Positive Designations Payable	232,198
Other Current Liabilities	2,737
	<u>\$ 282,230</u>

The organization has enough liquid assets to cover current liabilities and general expenditures.

**NOTE 3 - PLEDGES RECEIVABLE**

Promises to give are recorded net of an allowance for expected uncollectable amounts. This allowance is established based upon management's estimates.

Pledges receivable at December 31, 2022 are as follows:

Receivable in Less than One Year	\$ 356,833
Less: Allowance for Uncollectable Pledges	<u>(33,250)</u>
Net Pledges Receivable	<u>\$ 323,583</u>

Provision for uncollectable pledges is recorded as the uncollectable portion of the prior year's pledges. The provision for uncollectable pledges for December 31, 2022 was \$32,863.

#### **NOTE 4 - INVESTMENT SECURITIES**

Investments consist of certificates of deposits, money market, exchange traded and mutual funds reported at fair value as follows:

	Unrealized Appreciation/(Depreciation)	Fair Value
Certificates of Deposit	\$(10,243)	\$ 33,782
Money Market Funds	-0-	14,123
Exchange Traded Funds	(34,809)	443,017
Mutual Funds	(8,690)	146,182
Total	<u>\$(53,742)</u>	<u>\$ 637,104</u>

The amount of \$14,123 in the Money Market Funds are included in the Unrestricted Cash on the Statement of Financial Position.

Realized gains and losses are determined on the basis of the specific cost of the securities. As of December 31, 2022, sales proceeds and gross realized gains and losses on securities were:

Sales Proceeds	<u>\$ 208,029</u>
Realized Losses	\$ (56,350)
Realized Gains	6,443
Net Realized Gain/(Loss) on Sale of Securities	<u>\$ (49,907)</u>

Net Investment Return at December 31, 2022 consists of:

Dividends and Interest	\$ 15,569
Capital Gain Distributions	-0-
Change in Unrealized Appreciation/(Depreciation)	(89,242)
Realized Gain/(Loss) on Sale of Securities	(49,907)
Withdrawals	(17,902)
Investment Expenses	(3,489)
Net Investment Return	<u>\$ (144,971)</u>

The net amount of investment losses, including investment fees and not distributions, is \$127,069 and is included in investment income/(loss) in the Statement of Activities.

#### **NOTE 5 - FAIR VALUE MEASUREMENTS**

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC)820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

**NOTE 5 - FAIR VALUE MEASUREMENTS (CONTINUED)**

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Institute has the ability to access.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets or quoted prices for identical or similar assets or liabilities in inactive markets, or inputs other than quoted prices that is observable for the asset or liability. These inputs are derived principally from or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

As of December 31, 2022, all of the Organization's investments consist of Level 1 fair value measurements.

Following is a description of the valuation methodologies used for assets at fair value:

The fair values of marketable securities, including cash equivalents, U.S. Government and corporate bond funds and equity funds, are based on quoted market prices.

The preceding method may produce a fair value calculation that may not be indicative of net realized value or reflective of future fair values. Furthermore, although the Organization believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value.

**NOTE 6 - LAND, BUILDINGS, AND EQUIPMENT**

As of December 31, 2022 land, buildings, and equipment consisted of the following:

Land	\$ 70,632
Buildings	171,842
Furniture and Equipment	76,587
	<u>319,061</u>
Less Accumulated Depreciation	<u>(173,517)</u>
Total Land, Buildings, and Equipment, Net	<u>\$145,544</u>



**NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS**

The Organization's net assets with donor restrictions at December 31, 2022 totaled \$200,335 and represents donations with restriction as to time.

**NOTE 8 - BOARD DESIGNATED ENDOWMENT**

The Board of Directors has established a general endowment fund to provide for the long-term financial stability of the Organization. The endowment was funded by a donation that was restricted as to the length of time the funds had to be held. This restriction has expired and the Board designated the endowment funds continue to be held in a designated fund. Because the endowment is now an internally designated fund and is no longer donor restricted, it is classified and reported as net assets without donor restrictions.

The Organization has a spending policy of appropriating the earnings on the fund for each year to be available for general operations. In addition, distributions of \$10,000 or less are available for special uses, such as capital purchases and improvements, with a vote of two-thirds of a quorum of the Board of Directors. Amounts greater than \$10,000 may be withdrawn for these purposes with approval of the two-thirds of the full Board of Directors.

Composition of and changes in the general endowment funds for the years ended December 31, 2022 consisted of:

Board-Designated Endowment Funds,	
Beginning of Year	\$782,081
Interest and Dividend Income	15,569
Capital Gain Distribution	-0-
Net Appreciation	(139,155)
Distributions and Expenses	<u>(21,391)</u>
Board-Designated Endowment Funds,	
End of Year	<u>\$637,104</u>

**NOTE 9 - OPERATING LEASES**

During 2017, the Organization entered into a non-cancellable operating lease for equipment which expired in April 2022 but was extended to August 2022. In August 2022, the Organization entered into a short-term, month-to-month lease for \$180 per month. Due to the short-term nature of the lease; it is not capitalized with ASC 842 (Note 13).

Total rent expense for this lease for the year ended December 31, 2022 was \$1,996. The future minimum rental payment under the lease for the following one year is \$2,160.

**NOTE 10 - EMPLOYEE BENEFITS**

The Organization sponsors a 403(b) defined contribution pension plan covering all eligible employees that meet service time requirements. Contributions by the Organization are based on 10% of annual compensation paid to eligible employees. Health insurance coverage is also provided with the Organization paying 80% of the cost of single coverage or 60% of the cost of family coverage. Employee benefits for the years ended December 31, 2022 were as follows:

Retirement	\$ 13,134
Health Insurance	<u>9,726</u>
Total	<u>\$ 22,860</u>

**NOTE 11 - SPECIAL EVENTS**

Special events during the years ended December 31, 2022 consisted of:

Golf Tournament	
Revenue	\$ 13,600
Other Direct Expenses	<u>(7,094)</u>
Net Revenue	<u>\$ 6,506</u>

Annual Campaign Kick-off Events	
Revenue	\$ 5,760
Cost of Direct Benefits to Donors	<u>(5,350)</u>
Net Revenue	<u>\$ 410</u>

**NOTE 12 - CONTINGENCY**

Coronavirus Pandemic - Prior to year-end 2020, a worldwide outbreak of a novel strain of the coronavirus (COVID-19) has resulted in Federal, state and local governments declaring a state of emergency and mandating travel and public gathering restrictions, closure of school, business and other organizations, stay at home orders and advisors, and quarantining of those with expected exposure to the virus. The COVID-19 outbreak has had a major impact on general economic conditions worldwide and it is anticipated that the impact will continue for some time. The extent to which the COVID-19 outbreak will impact the Organization's future operations is uncertain at this time.

**Note 13 - New Accounting Guidance Implementation**

As of January 1, 2022 the Organization changed its accounting method for leases as a result of implementing the requirements in the Financial Accounting Standards Board's Accounting Standards Codification (ASC) 842, *Leases*, using the modified retrospective transition method. There was no cumulative effect adjustment to the Organization's balance sheet as of January 1, 2022.

### **Note 13 - New Accounting Guidance Implementation (Continued)**

Under the new guidance lessees are required to recognize the following for all leases (with the exception of leases with a term of twelve months or less) at the commencement date: (a) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and (b) a right-of-use asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. Leases are classified as either operating or finance. Operating leases result in straight-line expense in the statement of operations (similar to previous operating leases), while finance leases result in more expense being recognized in the earlier years of the lease term (similar to previous capital leases).

As of January 1, 2022, no operating lease right-of-use assets and corresponding lease liabilities were recognized. Adoption of the new guidance did not have a significant impact to the statements of activities or cash flows for the year ended December 31, 2022.

### **NOTE 14 - SUBSEQUENT EVENTS**

The date to which events occurring after December 31, 2022, the date of the most recent statement of financial position, have been evaluated for possible adjustment to the financial statements or disclosure is November 17, 2023, which is the date on which the financial statements were available to be issued. Management feels that no further disclosures to these financial statements are necessary.

**UNITED WAY OF THE ADIRONDACK REGION, INC.**  
Schedules of General Allocations to Member Agencies  
For the Year ended December 31, 2022

Adirondack Community Action Programs of Essex County	\$ 13,000
American Red Cross - N.C.	1,711
AuSable Valley Habitat for Humanity	2,500
Behavioral Health Services North	20,000
Boy Scouts of America-Twin Rivers Council	1,500
Catholic Charities - Clinton/Essex	19,000
Champlain Children's Learning Center	3,000
Champlain Valley Family Center	5,000
Child Care Coordinating Council	12,000
Citizen's Advocates, Inc.	4,000
Community Connections Franklin County	7,772
Cornell Cooperative Extension - Franklin	3,084
CVES Career Pathways	1,500
Evergreen Townhouse Community Housing Corp.	5,000
Girl Scouts of Northeastern New York	4,000
Homeward Bound Adirondacks	4,000
Hospice of the North Country	22,254
JCEO	20,000
Literacy Volunteers - Clinton, Essex and Franklin	5,500
Mental Health Association in Essex County, Inc.	8,000
Mountain Lake Services	7,000
NAMI	15,000
North Country Association for Visually Impaired	7,500
North Country Life Flight	6,000
North Country TBI Center	1,309
Plattsburgh/Malone YMCA, Inc.	6,000
Saranac Lake Youth Center	4,000
Senior Citizens Council	6,000
Substance Abuse Prevention Team	1,500
Ted K Community Center	7,000
The Strand Center for the Arts - DY	390
Third Age Adult Center	2,520
Thomas Shipman Youth Center	3,000
Ticonderoga Area Backpack	3,500
United Way of the Adirondack Region, Inc.	136,583
	<u>370,123</u>
Positive Designations Paid	(164,300)
	<u>\$ 205,823</u>

See Independent Auditors' Report.

**UNITED WAY OF THE ADIRONDACK REGION, INC.**  
Schedules of SEFA Allocations to Member Agencies  
For the Year ended December 31, 2022

Adirondack Land Trust	\$ 998
Adirondack Medical Center	123
AIDS Council of NENY	226
Alice Hyde Medical Center	184
American Cancer Society, Eastern Division	47
American Red Cross, Central & Northern NY	115
America's Best Charities	4,998
America's Best Local Charities	304
America's Charities	1,932
Autism Alliance of NENY	2,776
Big Brother Big Sisters of the Southern Adirondacks	49
Catholic Charities of Ogdensburg	74
Catholic Charities of Rochester NY	25
Children's Miracle Network of NNY	344
Community Health Charities of New York	4,545
Crane Mountain Valley Horse Rescue, Inc.	224
Earth Share of NY	617
Elmore SPCA	6,457
Girl Scouts of Northeastern NY	277
Global Impact	856
High Peaks Hospice & Palliative Care	2,523
Hospice & Palliative Care of Jefferson County	121
Hospice & Palliative Care of St. Lawrence	172
Hunger Solutions of New York, Inc.	123
JDRF International, NENY Chapter	102
Lower Adirondack Search and Rescue	171
Make-A-Wish Foundation of NENY	1,121
Neighbor to Nation	147
North Country Habitat for Humanity	1,002
North Country SPCA	5,014
North Country Life Flight	121
NYS Trooper PBS Signal 30 Fund, Inc.	531
Pets Alive, Inc.	49
Planned Parenthood of the North Country	2,615
Potsdam Humane Society	473
Regional Food Bank of NENY	2,754
Ronald McDonald House Charities of Rochester	50
Ronald McDonald House Charities of Capital Region	50
Salvation Army of Plattsburgh	526
Scleroderma Foundation Tri-State Inc. Chapter	123
St. Lawrence Valley Arts Council	49
St. Lawrence Valley Renewal House of Family	210
St. Lawrence Valley SPCA	380
SUNY Plattsburgh Child Care Center	4,362
SUNY Potsdam Child Care Center, Inc.	184
Tri-Lake Humane Society	1,037
United Way of the Adirondack Region, Inc.	25,752
	<u>74,933</u>
Positive Designations Paid	(98,909)
	<u>\$ (23,976)</u>

See Independent Auditors' Report.