

UNITED WAY OF THE ADIRONDACK REGION, INC.

Independent Auditors' Report
Financial Statements

December 31, 2021 and 2020

UNITED WAY OF THE ADIRONDACK REGION, INC.

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INDEPENDENT AUDITORS' 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, 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 referred to above present fairly, in all material respects, the financial position of United Way of the Adirondack Region, Inc. as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of United Way 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 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 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 19 through 22 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.

Report on Summarized Comparative Information

We have previously audited United Way of the Adirondack Region, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 24, 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.

The Hoffman Eells Group
CPAs, P.C.

Plattsburgh, New York

November 29, 2022

UNITED WAY OF THE ADIRONDACK REGION, INC.

Statements of Financial Position

December 31, 2021 and 2020

<u>Assets</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021</u>	<u>Total 2020</u>
Current assets:				
Cash	\$ 258,952	167,768	426,720	\$ 320,974
Investments at fair value (notes 4, 5 and 8)	782,081	-	782,081	672,777
Grants receivable	11,084	-	11,084	14,563
Pledges receivable (note 3)	90,658	228,061	318,719	304,071
Allowance for uncollectable pledges (note 3)	(34,000)	-	(34,000)	(33,750)
Total current assets	<u>1,108,775</u>	<u>395,829</u>	<u>1,504,604</u>	<u>1,278,635</u>
Land, buildings, and equipment (note 6)	<u>136,818</u>	<u>-</u>	<u>136,818</u>	<u>147,101</u>
	<u>\$ 1,245,593</u>	<u>395,829</u>	<u>1,641,422</u>	<u>\$ 1,425,736</u>
<u>Liabilities and Net Assets</u>				
Current liabilities:				
Accounts payable and accrued expenses	\$ 70,394	-	70,394	\$ 47,970
Deferred Revenue	-	-	-	2,100
Agency allocations payable	15,686	-	15,686	21,269
Positive designations payable	-	263,209	263,209	270,575
Other liabilities	<u>33,261</u>	<u>-</u>	<u>33,261</u>	<u>42,904</u>
Total liabilities	<u>119,341</u>	<u>263,209</u>	<u>382,550</u>	<u>384,818</u>
Commitments and Contingency (notes 9, 10 and 12)				
Net assets:				
Without donor restrictions:				
Undesignated	344,171	-	344,171	240,466
Board designated (note 8)	782,081	-	782,081	672,777
Net assets with donor restrictions (note 7)	<u>-</u>	<u>132,620</u>	<u>132,620</u>	<u>127,675</u>
Total net assets	<u>1,126,252</u>	<u>132,620</u>	<u>1,258,872</u>	<u>1,040,918</u>
	<u>\$ 1,245,593</u>	<u>395,829</u>	<u>1,641,422</u>	<u>\$ 1,425,736</u>

See accompanying notes and independent auditors' report.

UNITED WAY OF THE ADIRONDACK REGION, INC.

Statements of Activities

For the Years Ended December 31, 2021 and 2020

	Without Donor Restrictions	With Donor Restrictions	2021	Total 2020
Revenues, gains and other support:				
Campaign pledges	\$ 297,411	413,875	711,286	\$ 704,749
Positive designations	-	(263,209)	(263,209)	(270,576)
Total contributions	297,411	150,666	448,077	434,173
Other revenue:				
Grants	179,357	-	179,357	352,775
Payroll Protection Program Forgiveness (note 13)	-	-	-	48,385
United Way allocation	118,125	-	118,125	125,225
Special events income (note 11)	11,876	-	11,876	7,034
Cost of events (note 11)	(4,659)	-	(4,659)	(6,015)
Investment income (note 4)	109,404	-	109,404	59,212
Miscellaneous income	281	-	281	59
Other income	9,250	-	9,250	9,271
Net assets released from time restrictions	145,721	(145,721)	-	-
Total revenue, gains and other support	866,766	4,945	871,711	1,030,119
Allocations and expenses:				
Community allocations	114,320	-	114,320	214,304
Community services	408,966	-	408,966	554,352
Management and general	113,070	-	113,070	120,723
Fundraising	17,401	-	17,401	19,819
Total allocations and expenses	653,757	-	653,757	909,198
Change in net assets	213,009	4,945	217,954	120,921
Net assets, beginning of year	913,243	127,675	1,040,918	919,997
Net assets, end of year	\$ 1,126,252	132,620	1,258,872	\$ 1,040,918

See accompanying notes and independent auditors' report.

UNITED WAY OF THE ADIRONDACK REGION, INC.

Statements of Functional Expenses

For the Years Ended December 31, 2021 and 2020

	Program Activities		Support Services			
	Community Allocations	Community Services	Management and General Services	Fundraising	2021	Total 2020
Employee compensation:						
Staff salaries	\$ -	125,696	71,228	12,570	209,494	\$ 228,122
Payroll taxes/insurance	-	10,366	5,873	1,037	17,276	16,362
Pension plan (note 10)	-	9,644	5,465	964	16,073	16,798
Health insurance (note 10)	-	10,199	5,779	1,020	16,998	22,812
Total employee compensation	-	155,905	88,345	15,591	259,841	284,094
Operating expenses:						
Allocation to member agencies (Schedules 1 and 2)	384,896	-	-	-	384,896	443,614
Positive designations (Schedules 1 and 2)	(270,576)	-	-	-	(270,576)	(229,310)
	114,320	-	-	-	114,320	214,304
Bank and credit card fees	-	2,357	-	416	2,773	4,900
Building maintenance	-	4,613	3,075	-	7,688	3,703
Campaign supplies	-	2,892	2,891	-	5,783	6,186
Communication	-	3,412	1,933	341	5,686	6,451
Conference and meetings	-	1,019	577	102	1,698	1,980
Depreciation	-	6,170	4,113	-	10,283	10,238
Dues and subscriptions	-	15,101	-	-	15,101	10,376
Grant expenditures	-	140,684	-	-	140,684	301,673
Health Equity Task Force expense	-	9,250	-	-	9,250	-
Insurance	-	3,041	2,027	-	5,068	4,796
Loss on disposal of asset	-	-	-	-	-	1,104
Marketing and public relations	-	922	-	-	922	1,175
Miscellaneous	-	536	-	-	536	477
Office supplies and expense	-	1,224	894	235	2,353	3,161
Other allocations	-	1,184	-	-	1,184	7,911
Postage	-	1,682	1,494	561	3,737	6,813
Professional fees	-	4,145	2,763	-	6,908	6,843
Rent (note 9)	-	910	516	91	1,517	1,831
Repairs and maintenance	-	4,638	3,092	-	7,730	3,834
Staff travel	-	637	361	64	1,062	1,403
Uncollectable pledges (note 3)	-	47,160	-	-	47,160	23,596
Utilities	-	1,484	989	-	2,473	2,349
Total operating expenses	114,320	253,061	24,725	1,810	393,916	625,104
	\$ 114,320	408,966	113,070	17,401	653,757	\$ 909,198

See accompanying notes and independent auditors' report.

UNITED WAY OF THE ADIRONDACK REGION, INC.

Statements of Cash Flows

For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Increase in net assets	\$ 217,954	\$ 120,921
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Realized and unrealized gain on investments	(102,737)	(36,010)
Depreciation and amortization	10,283	10,238
Loss on disposal of asset	-	1,104
Decrease (increase) in assets:		
Pledges receivable, net of uncollectible allowance	(14,398)	(43,449)
Grants receivable	3,479	(4,289)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	22,424	4,365
Deferred revenue	(2,100)	2,100
Agency allocations payable	(5,583)	(4,860)
Positive designations payable	(7,366)	41,265
Other liabilities	(9,643)	42,904
Net cash provided by operating activities	<u>112,313</u>	<u>134,289</u>
Cash flows from investing activities:		
Purchase of investments	(784,549)	(88,802)
Proceeds from sale of investments	777,982	70,000
Additions to land, building and equipment	-	(4,400)
Net cash used by investing activities	<u>(6,567)</u>	<u>(23,202)</u>
Increase in cash	105,746	111,087
Cash, cash equivalents and restricted cash, beginning of year	<u>320,974</u>	<u>209,887</u>
Cash, cash equivalents and restricted cash, end of year	\$ <u><u>426,720</u></u>	\$ <u><u>320,974</u></u>

See accompanying notes and independent auditors' report.

UNITED WAY OF THE ADIRONDACK REGION, INC.

Notes to Financial Statements

December 31, 2021 and 2020

(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.

UNITED WAY OF THE ADIRONDACK REGION, INC.

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued:

Revenue Recognition, Continued:

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 consideration 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. The majority of the Organization's revenue arrangements generally consist of a single performance obligation to transfer promised goods or services.

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, 2021 and 2020, 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 unrestricted net assets 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 without donor restricted net assets.

UNITED WAY OF THE ADIRONDACK REGION, INC.

Notes to Financial Statements, Continued

(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 subject 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 years ending December 31, 2021 and 2020 were \$922 and \$1,175, respectively.

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.

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.

UNITED WAY OF THE ADIRONDACK REGION, INC.

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued:

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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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 programs and supported 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 fund-raising 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.

UNITED WAY OF THE ADIRONDACK REGION, INC.

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued:

Reclassification - Certain accounts in prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

(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.

At December 31, 2021, 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	\$ 426,720
Investments	782,081
Grants receivable	11,084
Pledges receivable, net	<u>284,719</u>
Total financial assets at year-end	\$ <u>1,504,604</u>

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

Cash and cash equivalents	\$ 426,720
Grants receivable	11,084
Pledges receivable, net	<u>284,719</u>
Total financial assets at year-end	\$ <u>722,523</u>

UNITED WAY OF THE ADIRONDACK REGION, INC.

Notes to Financial Statements, Continued

(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, 2021 and 2020 are as follows:

	<u>2021</u>		<u>2020</u>
Receivable in less than one year	\$ 318,719	\$	304,071
Less: allowance for uncollectable pledges	<u>(34,000)</u>		<u>(33,750)</u>
Net pledges receivable	\$ <u>284,719</u>	\$	<u>270,321</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, 2021 and 2020 was \$47,160 and \$23,596, respectively.

(4) Investment Securities:

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

	<u>2021</u>		<u>2021</u>
	<u>Unrealized Appreciation</u>		<u>Fair Value</u>
Certificates of deposit	\$ -	\$	28,872
Money market funds	1,300		40,853
Exchange traded funds	18,900		507,530
Mutual funds	<u>15,896</u>		<u>204,826</u>
	\$ <u>36,096</u>	\$	<u>782,081</u>
	<u>2020</u>		
	<u>Unrealized Appreciation</u>		<u>Fair Value</u>
Certificates of deposit	\$ 764	\$	70,764
Money market funds	-		92,884
Exchange traded funds	15,508		124,264
Mutual funds	<u>116,008</u>		<u>384,865</u>
	\$ <u>132,280</u>	\$	<u>672,777</u>

UNITED WAY OF THE ADIRONDACK REGION, INC.

Notes to Financial Statements, Continued

(4) Investment Securities, Continued:

Realized gains and losses are determined on the basis of the specific cost of the securities. As of December 31, 2021 and 2020, sales proceeds and gross realized gains and losses on securities were:

	<u>2021</u>	<u>2020</u>
Sale proceeds	\$ <u>777,982</u>	\$ <u>70,000</u>
Realized losses	\$ -	\$ -
Realized gains	<u>198,921</u>	<u>-</u>
Net realized gain on sale of securities	\$ <u>198,921</u>	\$ <u>-</u>

Net investment return at December 31, 2021 and 2020 consists of the following:

	<u>2021</u>	<u>2020</u>
Dividends and interest	\$ 11,569	\$ 9,980
Capital gain distributions	-	13,222
Change in unrealized appreciation	(96,184)	36,010
Realized gain on sale of securities	198,921	-
Withdrawals	(2,000)	-
Investment expenses	<u>(2,902)</u>	<u>-</u>
Net investment return	\$ <u>109,404</u>	\$ <u>59,212</u>

(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:

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.

UNITED WAY OF THE ADIRONDACK REGION, INC.

Notes to Financial Statements, Continued

(5) Fair Value Measurements, Continued:

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 corroborated by observable market data by correlation or other means. If the asset 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, 2021 and 2020, 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 realizable 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.

(6) Land, Buildings, and Equipment:

As of December 31, 2021 and 2020, land, buildings, and equipment consisted of the following:

	<u>2021</u>	<u>2020</u>
Land	\$ 70,632	\$ 70,632
Buildings	153,942	153,942
Furniture and equipment	<u>91,737</u>	<u>91,737</u>
	316,311	316,311
Less accumulated depreciation	<u>179,493</u>	<u>169,210</u>
Total land, buildings, and equipment, net	\$ <u>136,818</u>	\$ <u>147,101</u>

UNITED WAY OF THE ADIRONDACK REGION, INC.

Notes to Financial Statements, Continued

(7) Net Assets with Donor Restrictions:

The Organization's net assets with donor restrictions at December 31, 2021 and 2020 totaled \$132,620 and \$127,675, respectively and represents donations with restriction as to time.

(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, 2021 and 2020 consisted of:

	<u>2021</u>	<u>2020</u>
Board-designated endowment funds,		
beginning of year	\$ 672,777	\$ 617,965
Interest and dividend income	11,569	9,980
Capital gain distribution	-	13,222
Net appreciation	102,737	36,010
Distributions and expenses	<u>(5,002)</u>	<u>(4,400)</u>
Board-designated endowment funds,		
end of year	\$ <u>782,081</u>	\$ <u>672,777</u>

(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.

Total rent expense for this lease for the years ended December 31, 2021 and 2020 was \$1,517 and \$1,831, respectively. The future minimum rental payment under the lease for the following one year is \$1,988.

UNITED WAY OF THE ADIRONDACK REGION, INC.

Notes to Financial Statements, Continued

(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, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Retirement	\$ 16,073	\$ 16,798
Health Insurance	<u>16,998</u>	<u>22,812</u>
Total	\$ <u>33,071</u>	\$ <u>39,610</u>

(11) Special Events:

Special events during the years ended December 31, 2021 and 2020 consisted of:

	<u>2021</u>	<u>2020</u>
Golf Tournament:		
Revenue	\$ 11,876	\$ 500
Other direct expenses	<u>(4,659)</u>	<u>(225)</u>
Net revenue	\$ <u>7,217</u>	\$ <u>275</u>
Annual Campaign Kick-off events:		
Revenue	\$ -	\$ 6,534
Cost of direct benefits to donors	<u>-</u>	<u>(5,790)</u>
Net revenue	\$ <u>-</u>	\$ <u>744</u>

(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 advisories, 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.

UNITED WAY OF THE ADIRONDACK REGION, INC.

Notes to Financial Statements, Continued

(13) Payroll Protection Program Forgiveness:

In response to the COVID-19 outbreak, the U.S. Federal Government enacted the Coronavirus Aid, Relief, and Economic Security (CARES) Act that, among other economic stimulus measures, established the Paycheck Protection Program (PPP) to provide small business loans. In April 2020, the Organization received a PPP loan for \$48,385. In August 2021, the U.S. Federal Government forgave the loan in full. As such, the funds received are included in other revenues in 2020.

(14) Subsequent Events:

The date to which events occurring after December 31, 2021, the date of the most recent statement of financial position, have been evaluated for possible adjustment to the financial statements or disclosure is November 29, 2022, 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 Years Ended December 31, 2021 and 2020

	2021	2020
Adirondack Community Action Programs of Essex County	\$ 10,395	\$ 11,400
American Red Cross - N.C.	2,835	3,325
AuSable Valley Habitat for Humanity	2,835	2,375
Behavioral Health Services North	19,619	19,814
Boy Scouts of America-Twin Rivers Council	2,363	5,000
Catholic Charities-Clinton/Essex	12,218	2,864
Catholic Charities of Malone	823	4,750
Champlain Children's Learning Center	2,835	2,850
Champlain Valley Family Center	3,759	4,254
Child Care Coordinating Council	9,450	9,500
Citizen's Advocates, Inc.	3,780	4,750
Community Connections Franklin County	4,208	409.00
Cornell Cooperative Extension - Franklin	2,835	3,325
CVES Career Pathways	1,255	1,900
Evergreen Townhouse Community Housing Corp.	4,725	5,700
Family Champions of the North Country	945	1,900
Girl Scouts of Northeastern New York	3,780	4,750
Homeward Bound Adirondacks	4,000	4,750
Hospice of the North Country	17,700	28,060
JCEO	6,697	13,248
Literacy Volunteers-Clinton, Essex, and Franklin Counties	5,649	-
Literacy Volunteers-Clinton County	-	7,540
Literacy Volunteers-Essex and Franklin Counties	-	1,464
Mental Health Association in Essex County, Inc.	6,142	7,125
Mountain Lake Services	5,670	6,650
NAMI	13,535	12,285
North Country Association for Visually Impaired	7,560	7,600
North Country Life Flight	4,553	7,621
North Country TBI Center	1,535	1,040
Northern NY Foster Grandparent Program	111	500
Plattsburgh/Malone YMCA, Inc.	5,670	7,548
R.S.V.P. - Clinton County	1,271	6,764
R.S.V.P. - Essex County	-	836
R.S.V.P. - Franklin County	165	950
Saranac Lake Youth Center	2,835	3,325
Senior Citizens Council	4,097	5,069
Substance Abuse Prevention Team	846	2,470
Ted K. Community Center	6,615	7,125
The Strand for Arts - DY	1,266	2,500
Third Age Adult Center	1,761	4,960
Thomas Shipman Youth Center	2,835	3,325
Ticonderoga Area Backpack	3,000	6,413.00
United Way of the Adirondack Region, Inc.	118,125	125,224
	310,298	363,258
Positive designations paid	(189,136)	(139,078)
	\$ 121,162	\$ 224,180

See independent auditors' report.

Schedule 2

UNITED WAY OF THE ADIRONDACK REGION, INC.

Schedules of SEFA Allocations to Member Agencies

For the Years Ended December 31, 2021 and 2020

	2021	2020
Adirondack Health Foundation	-	120
Adirondack Land Trust	203	-
Adirondack Mountain Club	-	144
Adirondack Park Institute, Inc.	283	-
Adirondack Samaritan Counseling Center, Inc.	-	24
Adirondack Vets House, Inc.	-	190
AIDS Council of NENY	147	96
Alice Hyde Medical Center	122	-
ALS Therapy Institute	-	23
Alzheimer's Association WNY Chapter, Rochester	-	41
American Cancer Society	-	227
American Heart Association	-	48
America's Best Charities	5,393	5,124
America's Best Local Charities	514	-
America's Charities	1,489	2,417
Animal Protective Foundation	24	-
Animal Rescue Inc.	-	24
AnimalKind, Inc.	-	135
Animalovers	24	24
Autism Alliance of NENY	1,027	1,049
Autism Services	24	-
Big Brother Big Sisters of the Southern Adirondacks	-	48
Boys & Girls Club Massena	49	48
Catholic Charities Community	113	-
Catholic Charities of Madison County	737	354
Catholic Charities of Rochester NY	25	24
Catholic Charities of Saratoga, Warren & Wash. Co.	49	-
Children's Center at Morrisville State College	49	48
Children's Miracle Network of NNY	270	-
Community Health Charities	5,753	5,933
Cracker Box Palace - Farm Animal Shelter	47	-
Crane Mountain Valley Horse Rescue, Inc.	258	-
Dana Farber Cancer Institute, Inc.	122	60
Earth Share of NY	769	617
Elmore SPCA	6,437	5,047
Feed Our Veterans	122	-
Food Bank of Hudson Valley	-	24
GardenShare, Inc.	94	-
Global Impact	1,678	1,359
Hebrew Educational Society	-	120
Help Orphan Puppies	122	-

See independent auditors' report.

Schedule 2. Continued

UNITED WAY OF THE ADIRONDACK REGION, INC.

Schedules of SEFA Allocations to Member Agencies

For the Years Ended December 31, 2021 and 2020

	2021	2020
High Peaks Hospice & Palliative Care	1,741	-
Hope for Cats, Inc.	25	24
Hospice & Palliative Care of Jefferson County	-	43
Hospice & Palliative Care of St. Lawrence	295	1,204
Hospice of Central New York	-	48
Human & Civil Rights Organization of America	-	74
Indian Law Resource Center	61	-
KEYS Corp.	-	726
Legal Aid Society of Northeastern NY	122	-
Lymphoma Research Foundation	-	72
Make-A-Wish Foundation of NENY	1,416	2,360
National Eating Disorder Assoc	-	28
Neighbor to Nation	25	235
North Country Habitat for Humanity	282	222
North Country SPCA	4,055	4,761
North Country Tooper Assisting Troops	-	42
NYS Troopers PBS Signal 30 Fund, Inc.	1,228	821
Paws4Vets	-	418
Paws of War, Inc.	-	120
Peppertree Rescue	-	48
Planned Parenthood of the North Country	2,500	4,337
Potsdam Humane Society	351	706
Prevent Child Abuse New York, Inc.	-	96
Regional Food Bank of NENY	2,697	3,202
Rescue Mission of Utica, Inc.	-	354
Ronald McDonald House Charities of Capital Rgn	319	260
Salvation Army	-	352
Salvation Army of Glens Falls	25	-
Salvation Army of Plattsburgh	875	-
Scleroderma Foundation	368	354
Special Olympics of New York State	-	62
St. Lawrence Valley Renewal House of Family	217	327
St. Lawrence Valley SPCA	153	144
STRIDE, Inc.	25	-
SUNY Plattsburgh Child Care Center	4,721	4,536
SUNY Potsdam Child Care Center, Inc.	179	224
The Food Pantries	246	-
The Foundation of CVPH	460	577
Tri-Lake Humane Society	1,320	2,135

See independent auditors' report.

Schedule 2. Continued

UNITED WAY OF THE ADIRONDACK REGION, INC.

Schedules of SEFA Allocations to Member Agencies

For the Years Ended December 31, 2021 and 2020

	2021	2020
United Negro College Fund	25	-
United Way of the Adirondack Region, Inc.	24,898	27,937
Upper Hudson Planned Parenthood, Inc.	-	24
USO of Fort Drum	-	48
Veterans & Community Housing	-	24
Victims Assistance Center of Jefferson County	25	43
	74,598	80,356
Positive designations	(81,440)	(90,232)
	(6,842)	(9,876)

See independent auditors' report.