

**United Way of Long Island**

**UNITED WAY OF LONG ISLAND**

**FINANCIAL STATEMENTS  
TOGETHER WITH AUDITOR'S REPORT**

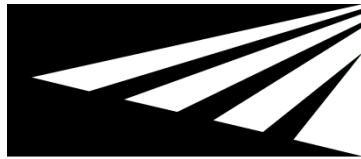
**AS OF AND FOR THE YEARS ENDED  
JUNE 30, 2022 AND 2021**

**UNITED WAY OF LONG ISLAND  
INDEX TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEARS ENDED  
JUNE 30, 2022 AND 2021**

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**NawrockiSmith**

CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of the  
United Way of Long Island:

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the accompanying financial statements of the United Way of Long Island ("UWLI", a non-profit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the United Way of Long Island as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the United Way of Long Island and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined 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 the United Way of Long Island's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

# NawrockiSmith

## ***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, including omissions, 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 the United Way of Long Island'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 the United Way of Long Island'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.

## ***Adjustment in Accounting for Grant***

As discussed in Note 12 to the financial statements, amounts reported in prior years were reported using the grant's fiscal year. Accordingly, amounts reported for grant income and reimbursed expenses have been restated as of July 1, 2020. Our opinion is not modified with respect to this matter.

# NawrockiSmith

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated November 17, 2022 on our consideration of the United Way of Long Island's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 the United Way of Long Island's internal control over financial reporting and compliance.

Hauppauge, New York  
November 17, 2022

A handwritten signature in cursive script that reads "Nawrocki Smith LLP".

**UNITED WAY OF LONG ISLAND  
STATEMENTS OF FINANCIAL POSITION  
AS OF JUNE 30, 2022 AND 2021**

	2022	2021
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents:		
Unrestricted	\$ 1,813,474	\$ 2,594,927
Restricted	6,102,218	6,696,848
Total cash and cash equivalents	7,915,692	9,291,775
Pledges and other receivables, net of allowance for uncollectible pledges of \$546,698 and \$670,454, respectively	3,000,140	2,273,960
Prepaid expenses	40,421	47,783
Total current assets	10,956,253	11,613,518
<b>FIXED ASSETS</b> , net of accumulated depreciation and amortization of \$2,304,352 and \$2,183,597, respectively	2,487,808	2,600,058
Total assets	\$ 13,444,061	\$ 14,213,576
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Current portion of mortgage payable	\$ 66,009	\$ -
Current portion of bond payable	-	139,587
Current portion of promissory note payable	-	4,272
Construction loan payable	-	250,000
Accounts payable and accrued expenses	1,462,816	490,708
Allocations payable to agencies	347,625	355,125
Government advances	868,707	3,534,588
Designations payable	213,152	336,802
Deferred revenue	-	376,050
Total current liabilities	2,958,309	5,487,132
<b>LONG-TERM LIABILITIES:</b>		
Mortgage payable	2,329,851	-
Bond payable	-	1,537,230
Promissory note payable	-	53,525
Total long-term liabilities	2,329,851	1,590,755
Total liabilities	5,288,160	7,077,887
<b>NET ASSETS:</b>		
Net assets without donor restrictions:		
Undesignated	2,840,272	2,662,657
Board-designated	1,312,980	1,312,980
Total net assets without donor restrictions	4,153,252	3,975,637
Net assets with donor restrictions	4,002,649	3,160,052
Total net assets	8,155,901	7,135,689
Total liabilities and net assets	\$ 13,444,061	\$ 14,213,576

The accompanying notes to financial statements  
are an integral part of these statements.

**UNITED WAY OF LONG ISLAND**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Without donor restrictions	With donor restrictions	Total
<b>PUBLIC SUPPORT AND REVENUE:</b>			
Public support -			
Long Island sources	\$ 2,553,159	\$ 3,157,846	\$ 5,711,005
Government contracts	8,721,869	-	8,721,869
Special events	1,066,189	-	1,066,189
Total funds raised	12,341,217	3,157,846	15,499,063
Amounts raised with donor designation	(233,600)	-	(233,600)
Total public support	12,107,617	3,157,846	15,265,463
Provision for estimated collection losses at the UWLI level	(454,574)	-	(454,574)
Total public support, net	11,653,043	3,157,846	14,810,889
Revenue -			
Interest	1,337	2,218	3,555
Other	304,612	-	304,612
In-kind	834,617	-	834,617
Net assets released from restrictions	2,317,467	(2,317,467)	-
Total revenue	3,458,033	(2,315,249)	1,142,784
Total public support and revenue	15,111,076	842,597	15,953,673
<b>EXPENSES:</b>			
Program services -			
Ryan White Services	5,482,359	-	5,482,359
Housing Services	1,474,031	-	1,474,031
Community Impact	3,422,347	-	3,422,347
YouthBuild	1,070,524	-	1,070,524
Allocations and Contract Payments	923,483	-	923,483
Marketing and Communication	409,107	-	409,107
Total program services	12,781,851	-	12,781,851
Supporting and administrative services -			
Resource development	632,645	-	632,645
Management and general	1,518,965	-	1,518,965
Total supporting and administrative services	2,151,610	-	2,151,610
Total expenses	14,933,461	-	14,933,461
Change in net assets	177,615	842,597	1,020,212
NET ASSETS, BEGINNING OF YEAR	3,975,637	3,160,052	7,135,689
NET ASSETS, END OF YEAR	\$ 4,153,252	\$ 4,002,649	\$ 8,155,901

The accompanying notes to financial statements  
are an integral part of this statement.

**UNITED WAY OF LONG ISLAND**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Without donor restrictions	With donor restrictions	Total
<b>PUBLIC SUPPORT AND REVENUE:</b>			
Public support -			
Long Island sources	\$ 2,818,712	\$ 3,364,422	\$ 6,183,134
Government contracts	9,313,081	-	9,313,081
Special events	117,215	-	117,215
Total funds raised	12,249,008	3,364,422	15,613,430
Amounts raised with donor designation	(342,879)	-	(342,879)
Total public support	11,906,129	3,364,422	15,270,551
Provision for estimated collection losses at the UWLI level	(573,995)	-	(573,995)
Total public support, net	11,332,134	3,364,422	14,696,556
Revenue -			
Interest	2,989	2,487	5,476
Other	306,525	-	306,525
In-kind	435,885	-	435,885
Net assets released from restrictions	2,668,316	(2,668,316)	-
Total revenue	3,413,715	(2,665,829)	747,886
Total public support and revenue	14,745,849	698,593	15,444,442
<b>EXPENSES:</b>			
Program services -			
Ryan White Services	5,576,237	-	5,576,237
Housing Services	1,182,338	-	1,182,338
Community Impact	3,832,563	-	3,832,563
YouthBuild	1,011,799	-	1,011,799
Allocations and Contract Payments	862,371	-	862,371
Marketing and Communication	382,533	-	382,533
Total program services	12,847,841	-	12,847,841
Supporting and administrative services -			
Resource development	576,607	-	576,607
Management and general	1,491,887	-	1,491,887
Total supporting and administrative services	2,068,494	-	2,068,494
Total expenses	14,916,335	-	14,916,335
Change in net assets	(170,486)	698,593	528,107
NET ASSETS, BEGINNING OF YEAR	4,146,123	2,461,459	6,607,582
NET ASSETS, END OF YEAR	\$ 3,975,637	\$ 3,160,052	\$ 7,135,689

The accompanying notes to financial statements  
are an integral part of this statement.



**UNITED WAY OF LONG ISLAND  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2022**

	Program Services						Supporting and Administrative Services			Total Expenses	
	Ryan White Services	Housing Services	Community Impact	YouthBuild	Allocations and Contract Payments	Marketing and Communications	Total	Resource Development	Management and General		Total
Grants, contracts, and awards											
Community investments grants and awards	\$ -	\$ -	\$ -	\$ -	\$ 923,483	\$ -	\$ 923,483	\$ -	\$ -	\$ -	\$ 923,483
Contract services and other grants	4,537,759	965,021	2,603,310	222,765	-	238	8,329,093	-	-	-	8,329,093
Total grants, contracts, and awards	4,537,759	965,021	2,603,310	222,765	923,483	238	9,252,576	-	-	-	9,252,576
Personnel											
Salaries	575,872	271,208	495,197	458,521	-	187,379	1,988,177	222,585	708,538	931,123	2,919,300
Employee benefits and payroll taxes	139,933	72,845	117,728	97,683	-	49,792	477,981	55,034	186,198	241,232	719,213
Total personnel	715,805	344,053	612,925	556,204	-	237,171	2,466,158	277,619	894,736	1,172,355	3,638,513
In-kind	111,282	83,462	97,372	111,282	-	97,372	500,770	153,013	180,834	333,847	834,617
Occupancy	27,353	23,984	35,466	76,568	-	10,268	173,639	25,424	32,912	58,336	231,975
Publicity and events	841	2,283	11,326	1,052	-	14,321	29,823	55,416	3,544	58,960	88,783
Professional fees and insurance	39,318	22,064	28,454	46,261	-	24,628	160,725	75,502	153,697	229,199	389,924
Bank fees and interest	-	-	-	-	-	-	-	-	179,701	179,701	179,701
Conference and travel	-	1,477	1,928	-	-	107	3,512	1,328	8,721	10,049	13,561
Equipment rental, maintenance, and supplies	4,140	3,733	2,292	3,952	-	1,405	15,522	3,588	8,318	11,906	27,428
Information technology	10,020	11,998	7,530	18,000	-	5,613	53,161	8,932	11,219	20,151	73,312
Other	1,504	985	1,918	1,355	-	5,707	11,469	2,374	7,928	10,302	21,771
Subtotal	5,448,022	1,459,060	3,402,521	1,037,439	923,483	396,830	12,667,355	603,196	1,481,610	2,084,806	14,752,161
Depreciation and amortization	34,337	14,971	19,826	33,085	-	12,277	114,496	29,449	37,355	66,804	181,300
Total expenses	\$ 5,482,359	\$ 1,474,031	\$ 3,422,347	\$ 1,070,524	\$ 923,483	\$ 409,107	\$ 12,781,851	\$ 632,645	\$ 1,518,965	\$ 2,151,610	\$ 14,933,461

The accompanying notes to financial statements  
are an integral part of this statement.

**UNITED WAY OF LONG ISLAND  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2021**

	Program Services						Supporting and Administrative Services			Total Expenses	
	Ryan White Services	Housing Services	Community Impact	YouthBuild	Allocations and Contract Payments	Marketing and Communications	Total	Resource Development	Management and General		Total
Grants, contracts, and awards											
Community investments grants and awards	\$ -	\$ -	\$ -	\$ -	\$ 862,371	\$ -	\$ 862,371	\$ -	\$ -	\$ -	\$ 862,371
Contract services and other grants	4,732,775	667,589	2,986,867	200,050	-	-	8,587,281	-	-	-	8,587,281
Total grants, contracts, and awards	4,732,775	667,589	2,986,867	200,050	862,371	-	9,449,652	-	-	-	9,449,652
Personnel											
Salaries	499,314	243,759	516,752	497,288	-	207,646	1,964,759	279,949	775,584	1,055,533	3,020,292
Employee benefits and payroll taxes	147,163	84,986	149,929	81,894	-	55,504	519,476	58,964	202,984	261,948	781,424
Total personnel	646,477	328,745	666,681	579,182	-	263,150	2,484,235	338,913	978,568	1,317,481	3,801,716
Occupancy	28,352	20,170	39,397	69,931	-	13,980	171,830	28,901	41,103	70,004	241,834
Publicity and events	1,296	7,078	6,209	1,818	-	18,827	35,228	16,232	4,299	20,531	55,759
Professional fees and insurance	66,904	45,037	43,224	45,458	-	15,296	215,919	67,257	207,199	274,456	490,375
Conference and travel	4	387	23	4	-	195	613	1,190	4,566	5,756	6,369
Equipment rental, maintenance, and supplies	3,939	7,192	2,695	3,435	-	2,967	20,228	3,665	8,621	12,286	32,514
Bank fees and interest	-	-	-	-	-	-	-	-	97,841	97,841	97,841
In-kind	58,118	43,588	50,853	58,118	-	50,853	261,530	79,912	94,443	174,355	435,885
Information technology	11,706	6,515	12,656	31,241	-	2,958	65,076	10,639	13,863	24,502	89,578
Other	1,917	43,654	8,177	1,845	-	4,427	60,020	6,995	7,645	14,640	74,660
Subtotal	5,551,488	1,169,955	3,816,782	991,082	862,371	372,653	12,764,331	553,704	1,458,148	2,011,852	14,776,183
Depreciation and amortization	24,749	12,383	15,781	20,717	-	9,880	83,510	22,903	33,739	56,642	140,152
Total expenses	\$ 5,576,237	\$ 1,182,338	\$ 3,832,563	\$ 1,011,799	\$ 862,371	\$ 382,533	\$ 12,847,841	\$ 576,607	\$ 1,491,887	\$ 2,068,494	\$ 14,916,335

The accompanying notes to financial statements  
are an integral part of this statement.

**UNITED WAY OF LONG ISLAND  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 1,020,212	\$ 528,107
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	181,300	140,152
Provision for collection gain (loss), net of collections	(123,756)	55,469
Changes in assets and liabilities:		
(Increase) decrease in pledges and other receivables	(602,424)	863,829
(Increase) decrease in prepaid expenses	7,362	(14,975)
Increase in accounts payable and accrued expenses	972,108	1,280
Decrease in allocations payable to agencies	(7,500)	(274,060)
Increase (decrease) in government advances	(2,665,881)	2,325,489
Decrease in designations payable	(123,650)	(159,925)
Increase (decrease) in deferred revenue	(376,050)	376,050
	<u>(1,718,279)</u>	<u>3,841,416</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets	(69,050)	(38,201)
	<u>(69,050)</u>	<u>(38,201)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from mortgage payable	2,500,000	-
Principal payments on mortgage payable	(104,140)	-
Repayment of bond payable	(1,676,817)	(113,831)
Repayment of promissory note payable	(57,797)	(4,060)
Repayment of construction loan	(250,000)	-
	<u>411,246</u>	<u>(117,891)</u>
<b>NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	(1,376,083)	3,685,324
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF YEAR</b>	<u>9,291,775</u>	<u>5,606,451</u>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAR</b>	<u>\$ 7,915,692</u>	<u>\$ 9,291,775</u>
<b>SUPPLEMENTAL DISCLOSURES:</b>		
Cash paid for interest	<u>\$ 67,633</u>	<u>\$ 62,571</u>
Disposal of fully depreciated fixed assets	<u>\$ 60,545</u>	<u>\$ 18,831</u>
<b>COMPONENTS OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH ON THE STATEMENTS OF FINANCIAL POSITION:</b>		
Cash and cash equivalents	\$ 1,813,474	\$ 2,594,927
Restricted cash	<u>6,102,218</u>	<u>6,696,848</u>
<b>TOTAL CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b>	<u>\$ 7,915,692</u>	<u>\$ 9,291,775</u>

The accompanying notes to financial statements  
are an integral part of these statements.

**UNITED WAY OF LONG ISLAND  
NOTES TO FINANCIAL STATEMENTS**

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**(1) Organization**

The United Way of Long Island (“UWLI”) is a not-for-profit organization, together with community partners, committed to changing lives on Long Island by investing in: improving access to health care, supporting children and youth, reducing hunger and assisting neighbors in need. UWLI receives substantially all of its support from government contracts and corporate, employee-group and community solicitations. UWLI is exempt from Federal income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and a similar provision of the New York State income tax law.

**(2) Summary of significant accounting policies:**

The accompanying financial statements include the assets, liabilities, revenues and expenses of UWLI which are presented under the accrual basis of accounting. The following is a summary of significant accounting policies followed by UWLI:

**Financial statement presentation -**

The accompanying financial statements include the accounts of UWLI’s programs, administration and fundraising. UWLI presents its financial statements in accordance with U.S. generally accepted accounting principles which require UWLI’s financial statements to distinguish between those with and without donor restricted net assets and changes in net assets. UWLI’s net assets consist of the following:

Without donor restrictions - net assets of UWLI which have not been restricted by an outside donor or by law and are therefore available for use in carrying out the operations of UWLI.

With donor restrictions - net assets subject to donor-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.

As required by U.S. generally accepted accounting principles, UWLI has also presented Statements of Cash Flows for the years ended June 30, 2022 and 2021.

For perpetual restricted net assets, UWLI follows U.S. generally accepted accounting principles regarding Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) and Enhanced Disclosures for All Endowed Funds.

**Cash and cash equivalents -**

UWLI considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Included in cash and cash equivalents at June 30, 2022 are allocated and designated amounts to other agencies of \$560,777, amounts set aside for specific purposes or programs of \$6,102,218 (including \$868,707 of advances from Nassau County relating to the Ryan White grant) and unrestricted cash of \$1,252,697.

**UNITED WAY OF LONG ISLAND**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**Liquidity considerations -**

Quantitative -

As of June 30, 2022, UWLI has \$4,854,035 of financial assets available to meet cash needs for program and supporting services expenditures within one year of the Statement of Financial Position date, as noted in the current assets section of the statement. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for expenditures within one year of the Statement of Financial Position date.

Qualitative -

As a part of UWLI's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. UWLI has a goal to maintain financial assets, which consist of cash and cash equivalents, on hand to meet 60 days of normal operating expenses, which are, on average, approximately \$2,500,000.

**Pledges receivable -**

Pledges receivable as of June 30, 2022 and 2021 are comprised of unconditional promises to give by donors. As of June 30, 2022, these pledges are expected to be paid within the upcoming year and are recorded at net realizable value. An allowance for doubtful accounts is based on an analysis of expected collection rates determined from past history. As of June 30, 2022 and 2021, UWLI recognized an allowance for doubtful accounts of \$546,698 and \$670,454, respectively.

**Fixed assets -**

Fixed assets are capitalized at cost or, if donated, at fair market value as of the date of receipt. Depreciation and amortization are computed by using the straight-line method over the estimated useful lives ranging from three to five years for machinery, equipment, furniture and fixtures and forty years for buildings and related improvements. Assets recorded under capital leases are amortized by the straight-line method over their estimated useful lives or lease terms, whichever is shorter.

**Impairment of long-lived assets and long-lived assets to be disposed of -**

UWLI follows the provisions of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") on accounting for the impairment or disposal of long-lived assets. It requires that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. This standard did not have any impact on UWLI's financial position, results of activities or liquidity during the years ended June 30, 2022 and 2021.

**UNITED WAY OF LONG ISLAND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**Conditional asset retirement obligations -**

The FASB ASC on accounting for conditional asset retirement obligations requires entities to recognize a liability for the fair value of a legal obligation to perform an asset retirement activity, even though uncertainty exists about the timing and/or method of settlement, if and when the fair value of the liability can be reasonably estimated. As of June 30, 2022 and 2021, UWLI has met the provisions of and is in compliance with these requirements and no obligation currently exists.

**Allocations payable to agencies -**

Allocations to the various agencies are approved by the Board of Directors each December for the subsequent calendar year and are recorded as an expense and liability at that time.

**Designations payable -**

Donors to a campaign may designate all or part of their contributions to specific agencies. UWLI honors designations made to any agency. In accordance with FASB ASC on the transfer of assets to a not-for-profit organization or charitable trust that raises or holds contributions for others, these specific designations are not considered to be part of the allocations to United Way agencies and are deducted from the current campaign results available to UWLI.

**Accrued paid time off -**

Each year, in lieu of sick days, vacation days or floating holidays, each full-time employee is entitled to earn paid-time-off ("PTO"). This time will be accrued based on length of employment and may be used as it is earned. Starting with new hires, a full-time employee will begin accruing a maximum of 20 PTO days per year. PTO is increased to 25 days per year for an employee with three to seven years tenure and capped at 30 days for full-time employees with greater than seven years employment. Each year, unused PTO not used by calendar year end will be forfeited. Should an employee retire or terminate before fully using their PTO, the equivalent of that time's salary will be paid out.

**Revenue recognition -**

The following are the significant revenue recognition accounting policies of UWLI:

Government contracts - Revenue under government contracts are recognized when earned. Revenue is earned when performance obligations, as defined in each contract, are fulfilled. Funds received but not yet earned are shown as deferred revenue. Expenditures under contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, UWLI will record such disallowance at the time the final assessment is made.

**UNITED WAY OF LONG ISLAND**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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Grants and contributions - Grants and contributions are recognized as income when received and are considered to be available for unrestricted use unless specifically restricted by the donor. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities and Changes in Net Assets as net assets released from restriction. Conditional contributions are accounted for as a liability or are not recognized as revenue initially, until the barriers to entitlement are overcome, at which point a transaction is recognized as unconditional and classified as either net assets with donor restrictions, or net assets without donor restrictions.

Fundraising income - The portion of fundraising revenue that relates to the commensurate value the attendee receives in return is recognized when the related events are held, and performance obligations are met.

**Donated materials and services** -

Donated land, buildings, equipment, investments, and other noncash donations are recorded as contributions at their fair market value at their date of donation. UWLI reports the donations as unrestricted support, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets must be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, UWLI reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated services that do not require specialized skills or enhance nonfinancial assets are not recorded in the accompanying financial statements because no objective basis is available to measure the value of such services. A substantial number of volunteers have donated significant amounts of their time to UWLI's program services and its fundraising campaigns, the value of which is not recorded in the accompanying financial statements.

**Functional expenses** -

Expenses are recognized when incurred. The Statements of Functional Expenses report certain categories of expenses that are attributable to one or more program or supporting functions of UWLI. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Direct program expenses are reported in their respective functional categories. The significant expenses that are allocated include: salaries, employee benefits, payroll taxes and professional fees which are allocated on the basis of estimates of time and effort. Depreciation and rent are allocated on basis of square footage and use, and all other expenses are allocated on a systematic and rational basis.

**Income taxes** -

UWLI qualifies as a tax-exempt not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code and applicable New York State tax laws. Accordingly, no provision for federal or state income taxes is required.

**UNITED WAY OF LONG ISLAND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**Uncertainty in income taxes -**

UWLI recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management has determined that UWLI had no uncertain tax positions that would require financial statement recognition. UWLI is no longer subject to examination by the applicable taxing jurisdictions for tax years prior to 2019.

**The use of estimates in the preparation of financial statements -**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Significant estimates include accounts receivable valuation allowances, depreciation and certain accrued expenses. Actual results may differ from those estimates.

**Reclassifications -**

Certain reclassifications of prior year balances on the Statements of Financial Position and Statements of Activities and Changes in Net Assets have been made to conform to the current year presentation. These reclassifications had no effect on the increase in net assets for the year ended June 30, 2021.

**(3) Fixed assets**

Fixed assets as of June 30, 2022 and 2021 are comprised of the following:

	<u>2022</u>	<u>2021</u>
Land	\$ 373,761	\$ 373,761
Buildings and improvements	4,273,540	4,273,540
Machinery, equipment, furniture and fixtures	130,871	122,366
Construction in progress	<u>13,988</u>	<u>13,988</u>
	4,792,160	4,783,655
Less: accumulated depreciation	<u>2,304,352</u>	<u>2,183,597</u>
	<u>\$ 2,487,808</u>	<u>\$ 2,600,058</u>

Depreciation expense for the years ended June 30, 2022 and 2021 was \$181,300 and \$140,152, respectively.

**(4) Construction loan payable**

In June 2019, UWLI received funds from Island Outreach Foundation in the amount of \$250,000. This money is to be used to solely finance construction and related costs associated with redevelopment of foreclosed properties in Suffolk County in connection with the Suffolk County Land Bank. On December 20, 2021, UWLI has paid off the loan balance.



**UNITED WAY OF LONG ISLAND**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**(5) Long-term debt**

In July 2006, UWLI acquired an Industrial Development Bond (the "Bond") in the amount of \$3,270,000. The Bond was collateralized by UWLI's land and building. The Bond was payable in monthly installments of \$19,307 through June 2016, including principal and interest at 5.1% per annum. In October 2014, UWLI re-financed the Industrial Development Bond, effective July 1, 2016 in the amount of \$2,333,973. The Bond will be payable in monthly installments through July 1, 2024 (when a balloon payment or refinancing is necessary), including principal and interest at 3.25% per annum. During the year ended June 30, 2022, UWLI has paid off the loan amount.

In February 2008, UWLI entered into a land swap arrangement. Approximately three quarters of an acre were exchanged with a neighboring land owner. The land UWLI traded away was subject to restrictions within the previously mentioned bond agreement. Thus, a portion of the bond equal to the calculated fair value of the land (\$100,000) needed to be retired. Financing for this transaction was facilitated by UWLI entering into a \$100,000 promissory note payable in monthly installments of \$593 through December 2031, including principal and interest of 5.1% per annum. During the year ended June 30, 2022, UWLI has paid off the note amount.

On December 16, 2021, UWLI entered into a mortgage agreement with a bank for \$2,500,000. The mortgage is payable over 10 years with an initial maturity date of January 2032, but the mortgage allows for an extension through January 2047, if certain terms are met. The current interest rate is 3.30% per annum through January 2032, and subsequently, the interest rate will be the greater of 3.30% per annum or 1.75% basis points in excess of the U.S. treasury rate through January 2047. At no time can the interest rate be less than 3.30% per annum. The monthly payment of principal and interest is \$12,312. As of June 30, 2022, the balance of the mortgage payable was \$2,395,860.

Long-term debt interest expense for 2022 and 2021 was comprised of the following:

	<u>2022</u>	<u>2021</u>
Mortgage	\$ 38,119	\$ -
Bond	28,062	59,510
Promissory note	<u>1,452</u>	<u>3,061</u>
	67,633	62,571
Plus: amortization of issuance costs	<u>4,054</u>	<u>18,830</u>
	<u><u>\$ 71,687</u></u>	<u><u>\$ 81,401</u></u>

**UNITED WAY OF LONG ISLAND**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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Future maturities represent actual obligations of long-term debt and do not include the deferred bond issuance costs of \$77,031 netted against long-term debt on the Statements of Financial Position. As of June 30, 2022, future maturities are estimated as follows:

<u>Year ending June 30,</u>		
2023	\$	66,009
2024		68,252
2025		70,571
2026		72,969
2027		75,448
Thereafter		<u>2,119,642</u>
		2,472,891
Less: issuance costs		<u>(77,031)</u>
		<u>\$ 2,395,860</u>

**(6) Paycheck Protection Program**

On May 1, 2020, UWLI received loan proceeds in the amount of \$613,749 to fund payroll and benefits through the Paycheck Protection Program (the "PPP") under the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), which was enacted on March 27, 2020. In accordance with U.S. generally accepted accounting principles, UWLI has opted to account for its PPP loan as an in-substance conditional government grant, which should be recognized in income when all conditions or measurable barriers have been substantially met. UWLI believes all conditions and measurable barriers have been met during the fiscal year ended June 30, 2021. Accordingly, UWLI has recorded the proceeds as revenue, which is reflected in government contracts in the accompanying Statement of Activities and Changes in Net Assets as of June 30, 2021.

On January 29, 2021, UWLI received a second draw loan in the amount of \$687,500. In accordance with U.S. generally accepted accounting principles, UWLI has also opted to account for its PPP loan as an in-substance conditional government grant, which should be recognized in income when all conditions or measurable barriers have been substantially met. UWLI believes all conditions and measurable barriers have been met during the fiscal year ended June 30, 2022. Accordingly, UWLI has recorded its proceeds as revenue which is reflected in government contracts in the accompanying Statement of Activities and Changes in Net Assets as of June 30, 2022.

**UNITED WAY OF LONG ISLAND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**(7) Net assets**

Net assets as of June 30, 2022 and 2021 are comprised of the following:

	<u>2022</u>	<u>2021</u>
Without donor restrictions -		
Undesignated	\$ 2,840,272	\$ 2,662,657
Board designated -		
Building fund	447,536	447,536
Fixed assets	<u>865,444</u>	<u>865,444</u>
Total without donor restrictions	<u>4,153,252</u>	<u>3,975,637</u>
With donor restrictions -		
YouthBuild Scholarship Fund	444,320	321,232
Everyone Rides Nice, Inc.	316,381	17,478
Safe at Home	277,157	235,388
VetsBuild	258,274	162,569
Bank of America - Workforce Dev. Solar Program	201,184	250,000
DOL YouthBuild Match and Leverage	192,575	117,941
Other TRNA	185,816	185,816
Byron Miller Fund	170,147	170,147
Dreams for Youth	161,921	121,186
Mary Anna Meyer Fund	-	158,327
Education and Scholarships	147,852	67,857
Project Warmth	136,101	224,187
Siemer Institute Family Success Initiative	122,500	-
Missions United	116,815	86,638
United Together Response COVID Fund	113,515	225,438
You Call the Shots	109,927	-
Cammy Belser Fund	103,572	108,572
BOA Summer Youth	92,253	91,825
David Schector Fund	86,202	86,202
Schaufeld Family Fund	79,072	64,870
Walmart Hempstead YB TRNA	51,727	51,490
Sandy Relief	50,000	-
Income Stability	48,337	-
NYS Health Foundation Safe At Home	46,813	46,813
Stuff-A-Bus	44,212	25,225
COVID 19 Vaccine Program	43,492	-
UWW LYFT Program	42,445	50,000
Anthony Stupore Fund	37,042	29,921
The Bountiful Company	35,288	19,872
The Robert B. Read Memorial Fund	34,266	30,000
Entenmann's	33,537	34,775
Pat Michaels Fund	31,400	31,400
Scott Martella Fund	27,427	27,502
Homeless Prevention	25,000	-
Eugene Portella Fund	24,462	21,342
World Aids Day Consumer Fund	21,354	21,524
Bob Woodruff Foundation	17,387	8,386
NYSERDA Net Zero Economic Program	16,271	17,812
Sunfunders (Netzero Energy Building)	13,312	-
Lorraine Aycock Fund	13,000	13,000
Henry P. Pearson Memorial Fund	-	8,111
Chicken Soup for Health Care Responders	7,678	7,706
Access to Healthcare	6,554	-
Sal LaFonte Fund	6,400	3,500
UWW Door Dash	5,000	-
Bank of America Student Leaders Program	<u>4,661</u>	<u>16,000</u>
Total with donor restrictions	<u>4,002,649</u>	<u>3,160,052</u>
Total net assets	<u>\$ 8,155,901</u>	<u>\$ 7,135,689</u>

**UNITED WAY OF LONG ISLAND**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or applicable law requires UWLI to retain as a fund of perpetual duration. There were no such deficiencies as of June 30, 2022.

UWLI has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to protect the original value of the gift.

UPMIFA requires the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result, UWLI classifies as donor restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

**(8) Federal grants**

Effective July 1, 1997, UWLI was named the lead not-for-profit agency to administer three federal grants (the Ryan White Funds), which address the HIV/AIDS epidemic. UWLI acts as the administrator and as a pass-through entity for these grants. As of June 30, 2022 and 2021, related grants receivables were \$1,379,879 and \$1,363,918, respectively.

**(9) Retirement plans**

UWLI has a defined contribution plan for substantially all employees. UWLI contributes a maximum of seven percent of each eligible employee's salary. Aggregate contributions for fiscal 2022 and 2021 were \$130,817 and \$136,157, respectively.

**(10) Rental income**

UWLI has signed four agreements to lease a portion of its office space. Future minimum rental income associated with these arrangements in the subsequent year will be approximately \$250,000. Rental income for years ended June 30, 2022 and 2021 was \$255,387 and \$270,221, respectively.

**(11) Commitments and contingencies:**

**Concentrations of credit risk -**

UWLI maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. UWLI has not experienced any losses in such accounts. As of June 30, 2022 and 2021, cash in excess of federally insured limits amounted to \$5,949,265 and \$7,409,645, respectively.

**UNITED WAY OF LONG ISLAND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**COVID-19 -**

In March 2020, the World Health Organization declared the outbreak of Coronavirus (“COVID-19”) as a pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to UWLI, COVID-19 has impacted various parts of its operations and financial results however, management believes UWLI is taking appropriate actions to mitigate any negative impact. In connection therewith, UWLI received two PPP loans in connection with the CARES Act (See Note 6). The full impact of COVID-19 is unknown but UWLI will continue to adjust its programs and management to adapt to the current environment.

**(12) Prior period adjustment**

Certain amounts reported related to the Ryan White grant had been reported in accordance with the grant fiscal year instead of UWLI’s fiscal year. These amounts have been corrected as of July 1, 2020. The restatement effects will be as follows:

Balance as of July 1, 2020, as previously stated	\$ 6,607,582
Less: Change in recognition of grant income	66,236
Less: Change in recognition of grant expenses	<u>(66,236)</u>
Balance as of July 1, 2020, as restated	<u>\$ 6,607,582</u>

**(13) Subsequent events**

UWLI has evaluated subsequent events through November 17, 2022, which is the date the financial statements were available to be issued. Based on this evaluation, UWLI has determined there are no matters which require disclosure in the financial statements.