

UNITED WAY OF ULSTER COUNTY, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The United Way of Ulster County, Inc.

Opinion

We have audited the accompanying financial statements of The United Way of Ulster County, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, 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 The United Way of Ulster County, Inc. as of June 30, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Ulster County, 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 The United Way of Ulster County, 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, including omissions, are considered material if there is a substantial likelihood that,

See Notes to the Financial Statements

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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 The United Way of Ulster County, 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 The United Way of Ulster County, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited The United Way of Ulster County, Inc.'s 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 3, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.


Gagnon & Associates CPA's

Kingston, NY
November 7, 2022

United Way of Ulster County, Inc.
Statement of Financial Position
As of June 30, 2022

ASSETS

	2022	2021
Current Assets:		
Cash and Cash Equivalents	\$ 1,084,075	\$ 830,248
Net Pledges Receivable	106,869	124,606
Grants and Contracts Receivable	17,281	55,537
Prepaid Expenses	14,469	23,712
Total Current Assets	1,222,694	1,034,103
Fixed Assets:		
Land	25,000	25,000
Building and Leasehold Improvements	190,092	190,092
Furniture and Equipment	124,500	119,212
Total	339,592	334,304
Accumulated Depreciation	(250,116)	(241,667)
Net Fixed Assets	89,476	92,637
TOTAL ASSETS	\$ 1,312,170	\$ 1,126,740

LIABILITIES & NET ASSETS

Current Liabilities:		
Accounts Payable	\$ 23,539	\$ 6,411
Accrued Expenses	27,734	30,379
Deferred Revenue	595,831	517,647
Total Current Liabilities	647,104	554,437
Total Liabilities	647,104	554,437
Net Assets:		
Without Donor Restrictions	665,066	572,303
With Donor Restrictions	-	-
Total Net Assets	665,066	572,303
TOTAL LIABILITIES & NET ASSETS	\$ 1,312,170	\$ 1,126,740

See accompanying notes and accountants' audit report.

United Way of Ulster County, Inc.
Statement of Activities
For the Year End June 30, 2022 and 2021

	Without Restrictions	With Restrictions	2022	2021
TOTAL PUBLIC SUPPORT, REVENUE & RECLASSIFICATIONS				
Donations & Contributions	\$ 456,442	\$ 49,902	\$ 506,344	\$ 551,076
Grant Income				
Project Resilience	42,218	-	42,218	152,209
Novo	1,052,433	-	1,052,433	726,582
Rowley Foundation	9,943	-	9,943	143,217
Other	11,170	-	11,170	112,882
Total Grant Income	1,115,764	-	1,115,764	1,134,890
Administrative Income	7,107	-	7,107	18,282
Special Events	46,834	-	46,834	1,118
Interest Income	2,674	3	2,677	3,929
Misc. Income	2,359	-	2,359	1,863
OET Income (Net)	39,448	-	39,448	19,127
UCCCS Income (Net)	5,577	-	5,577	6,899
Additions & Releases from restriction	49,905	(49,905)	-	-
Total Public Support, Revenue & Reclassifications	1,726,110	-	1,726,110	1,737,184
EXPENSES AND LOSSES				
Programs	1,246,180	-	1,246,180	1,244,417
Administrative	109,201	-	109,201	96,882
Fundraising	277,966	-	277,966	246,608
Total Expenses & Losses	1,633,347	-	1,633,347	1,587,907
Change in Net Assets	92,763	-	92,763	149,277
Net Assets as of beginning of year	572,303	-	572,303	423,026
Net Assets as of end of year	\$ 665,066	\$ -	\$ 665,066	\$ 572,303

See accompanying notes and accountants' audit report.

United Way of Ulster County, Inc.
Statement of Cash Flows
For the Year End June 30, 2022 and 2021

	2022	2021
Operating Activities		
Net increase (decrease) in net assets	\$ 92,763	\$ 149,277
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	8,449	8,163
Uncollectable Pledges	(2,932)	(24,452)
Grants and Contracts Receivable	38,256	(10,015)
Pledges Receivable	20,669	12,230
Accounts Payable	17,128	(1,533)
Prepaid Expenses	9,243	(13,875)
Accrued Expenses	917	4,541
Donor Designations Payable	(3,562)	(7,333)
Net cash provided by operating activities	180,931	117,003
Investing Activities		
(Increase) or decrease in investing activities		
Fixed asset purchases	(5,288)	-
Net cash from investing activities	(5,288)	-
Financing Activities		
Increase or (decrease) in financing activities		
Deferred Revenue	78,184	151,153
Net cash from investing activities	78,184	151,153
Net increase (decrease) in cash	253,827	268,156
Cash at Beginning of Period	830,248	562,092
Cash at End of Period	\$ 1,084,075	\$ 830,248

No interest or income taxes were paid during the fiscal year end June 30, 2021

See accompanying notes and accountants' audit report.

United Way of Ulster County, Inc.
Statement of Functional Expenses
For the Year End June 30, 2022 and 2021

<u>EXPENSES</u>	Program	Administrative	Fundraising	2022 Totals	2021 Totals
Advertising	\$ 1,732	\$ 1,732	\$ 4,409	\$ 7,873	\$ -
Allocations to Member Agencies	365,806	-	-	365,806	363,009
Bank/Credit Card fees	853	853	2,172	3,878	2,188
Cash Coalition Expense	290	-	-	290	121
Conferences and Meetings	1,029	1,029	2,617	4,675	175
Database Manager Expense	1,000	-	-	1,000	-
Depreciation	8,449	-	-	8,449	8,163
Dues	8,746	-	-	8,746	6,755
Employee Benefits	13,556	13,556	34,506	61,617	56,237
Equipment Rental and Maintenance	3,252	3,252	8,277	14,780	11,864
Event Expense	1,492	1,492	3,797	6,780	-
Future of Saugerties	-	-	-	-	32,343
Grant Expense	535,049	-	-	535,049	378,869
Insurance	1,992	1,992	5,071	9,055	6,312
Marketing	8,926	8,926	22,720	40,571	61,948
Miscellaneous	1,389	1,389	3,535	6,313	1,615
Payroll Tax	5,417	5,417	13,788	24,622	22,231
Postage & Shipping	573	573	1,458	2,604	1,431
Printing and Publication	541	541	1,376	2,457	984
Professional Fees	3,597	3,597	9,156	16,350	11,791
Program - Project Resilience	41,788	-	-	41,788	152,371
Program - Census	-	-	-	-	20,650
Raising Hope	156,214	-	-	156,214	164,888
Salaries	61,172	61,172	155,711	278,056	253,819
Supplies	2,178	2,178	5,546	9,902	4,618
Telephone	394	394	1,002	1,790	1,791
Travel	303	303	769	1,375	800
Utilities	807	807	2,056	3,670	2,568
Uncollectable Pledges	19,637	-	-	19,637	20,366
TOTALS	\$ 1,246,180	\$ 109,201	\$ 277,966	\$ 1,633,347	\$ 1,587,907

See accompanying notes and accountants' audit report.

UNITED WAY OF ULSTER COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEAR END JUNE 30, 2022, and 2021

NOTE 1 – NATURE OF OPERATIONS

United Way of Ulster County, Inc. (the Organization), is a non-profit human services organization established to collectively campaign for funds to distribute to participating non-profit partner agencies and to coordinate a variety of programs, initiatives and events. The Organization is one of 1,300 independent and autonomous chapters of United Way Worldwide. The Organization conducts activities in Ulster County of New York State.

The purposes for which this organization is formed are to seek solutions to community problems by performing regular community assessments to determine needs and/or gaps in services; developing new and/or expanding or modifying existing human service programs in order to more effectively address the identified needs or gaps; facilitating collaborative community partnerships that address the specific needs and/or gaps in services; evaluating programs to assure positive outcomes in the target areas; and developing the financial resources, both public and private, needed to meet the human service needs of the community.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) “Audit and Accounting Guide for Not-for-Profit Organizations” (the “Guide”). ASU 958-205 was effective January 1, 2018.

Under provisions of the Guide, net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations and may be expected for any purpose in performing the primary objectives of the organization. The organization may designate assets without restrictions for specific operational and strategic purposes from time to time.

Net assets with donor restrictions – Net assets that are subject to donor-imposed stipulations by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents include restricted cash, time deposits, certificates of deposit with maturities of three months or less and all highly liquid debt instruments with original maturities of three months or less not subject to early withdrawal penalties.

UNITED WAY OF ULSTER COUNTY, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR END JUNE 30, 2022, and 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Fixed assets are stated at cost and include expenditures for additions and improvements that extend the useful lives of the equipment. Donated assets are recorded at their estimated fair market values at the date of donation. Expenditures for maintenance and repairs are charged to operations. The United Way of Ulster County capitalizes fixed asset purchases in excess of \$1,000. Lesser amounts are expensed. Depreciation of fixed assets is calculated on the straight-line method over their estimated useful lives, which range from three to forty years.

<u>Asset Class</u>	<u>Life</u>
Building	25
Improvements	15-40
Furniture and Equipment	5 - 10

Functional Expenses

Expenses are charged to each program based on direct expenditures incurred. Building, maintenance and depreciation costs are allocated based on the Organization's estimated use in each function. Certain administrative costs are allocated based on an estimate of each program's usage of those costs.

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and Wages	Time and Effort/ Expense by Department
Payroll Taxes and Benefits	Payroll Allocation
Conferences/Meetings/Training	Payroll Allocation
Professional Fees	Payroll Allocation
Equipment Expense	Payroll Allocation
Insurance	Payroll Allocation
Maintenance/Repair	Payroll Allocation
Advertising Expense	Payroll Allocation
Service Charges/Bank Fees	Payroll Allocation
Office Expense	Payroll Allocation
Event Expense	Payroll Allocation
Printing and Publication	Payroll Allocation
Miscellaneous	Payroll Allocation
Postage	Payroll Allocation
Supplies	Payroll Allocation
Travel	Payroll Allocation
Telephone/Internet	Payroll Allocation
Utilities	Payroll Allocation

UNITED WAY OF ULSTER COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEAR END JUNE 30, 2022, and 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

The Organization's revenue is primarily derived from contributions pledged during annual campaigns. Contributions including promises to give received in the current year for the current year annual fundraising campaign are recorded as unrestricted public support. Contributions including promises to give received in the current year for the subsequent year annual fundraising campaign are recorded as temporarily restricted public support. In-kind contributions are reflected as contributions at their fair value at the date of donation and are reported as unrestricted support unless explicit donor stipulations specify how donated assets must be used. The Organization recognizes the fair value of contributed services received if such services (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, then a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Donor imposed restrictions that are satisfied within the same operating cycle are recorded as unrestricted.

Income Taxes

The United Way of Ulster County, Inc. is a not-for-profit organization, exempt from federal and state income taxes under section 501(c)(3) and is not a "private foundation" within the meaning of section 509(a)(2) of the Internal Revenue Code and comparable New York State law.

The organization's Forms 990, Return of Organization Exempt from Income Tax, are subject to examination by the IRS, generally for three years after they were filed.

The Organization follows the Accounting for Uncertainty in Income Taxes, Topic, FASB, ASC. Accounting for Uncertainty in Income Taxes, Topic, FASB, ASC, prescribes a comprehensive model for recognizing, measuring, presenting and disclosing in the financial statements tax positions taken or expected to be taken on a tax return. The Organization believes that they have appropriate support for the income tax positions taken and to be taken on returns based on an assessment of many factors including experience and interpretations of tax laws applied to the fact of each matter. The Organization has concluded that there are no significant uncertain tax positions requiring disclosure, and there are no material amounts of unrecognized tax benefits.

UNITED WAY OF ULSTER COUNTY, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR END JUNE 30, 2022, and 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Allocation to Member Agencies

Unconditional promises to give cash are recognized as designated donations (liabilities) and distributions to agencies at the time the Board of Directors authorizes them (see note 14).

Advertising and Marketing

The Organization's policy is to expense advertising and marketing costs as incurred. For the year ended June 30, 2022, and 2021 advertising and marketing expenses amounted to \$48,444 and \$61,948 respectively.

NOTE 3 – 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 in the financial statements.

NOTE 4 – 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 on June 30, 2022 and 2021 are as follows:

	2022	2021
Local Campaign	\$ 145,624	\$ 166,294
Allowance for Doubtful Pledges	(38,755)	(41,688)
Net Pledges Receivable	\$ 106,869	\$ 124,606

The Organization provides an allowance for uncollectable pledges based upon collection history and a review of open accounts by management. Open accounts are written off after all collection efforts have been exhausted and the pledge is determined to be uncollectable. Although management has reviewed the collection history while projecting the allowance, it is reasonably possible that actual uncollectable pledges may differ from the estimated allowance.

UNITED WAY OF ULSTER COUNTY, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR END JUNE 30, 2022, and 2021

NOTE 5 – CONTRACTS AND GRANTS RECEIVABLE

Contracts and grants receivable consist of the portion of the Future of Saugerties contract that is due to the Organization. The amounts of the contracts and grants receivable on June 30, 2022, and 2021 are \$17,281 and \$55,537 respectively.

	<u>2022</u>	<u>2021</u>
Contract Receivable OET	7,354	8,734
Contract Receivable UCCS	4,780	4,780
Bottle Depot	600	800
Family Service	4,547	-
Due from FOS	-	32,343
City of Kingston CDBG	-	8,880
Total	<u>\$ 17,281</u>	<u>\$ 55,537</u>

NOTE 6 – DEFINED CONTRIBUTION PLAN

The Organization adopted a defined contribution 403(b) plan. All regular active employees participate in this non-contributory retirement program when they reach the age of twenty-one and have completed one year of full service. Employees are 100% vested from the first day of participation in the plan. The contributions recognized for the retirement plan for the year ended June 30, 2022, and 2021 was \$16,328 and \$18,908 respectively.

NOTE 7 - CONCENTRATIONS OF CREDIT RISK

The Organization maintains cash balances at several financial institutions. The Federal Deposit Insurance Corporation insures accounts up to \$250,000 at each institution. At institutions where amounts exceed \$250,000, the balances have been collateralized.

NOTE 8 – OPERATING LEASES

During 2016, the Organization entered into a non-cancellable operating lease for equipment expiring in January 2022. Total rent expense for this lease for the year ended June 30, 2021 was \$2,586. During 2022 the Organization extended the lease into the new fiscal year which expires in October of 2022.

UNITED WAY OF ULSTER COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEAR END JUNE 30, 2022, and 2021

NOTE 9 - SUMMARY OF ALLOCATIONS TO MEMBER AGENCIES

The following indicates the amounts distributed to participating agencies for the year ended June 30:

	<u>2022</u>	<u>2021</u>
Boy's and Girl's Club	58,500	52,500
Center for Creative Education	22,700	18,700
Family of Woodstock	107,924	97,924
Family Services	5,453	10,000
Gateway Hudson Valley	24,832	24,575
Jewish Family Services	6,362	6,362
Legal Services of the Hudson Valley	12,000	9,000
Mental Health Association	11,047	11,047
Resource Center for Accessible Living	12,732	12,732
RUPCO	9,000	9,000
The Arc Mid Hudson	-	25,848
Ulster County Community Action	9,000	9,000
Ulster Literacy Association	20,000	20,000
Worker Justice Center of NY	6,000	5,000
YMCA	27,256	21,321
YWCA	28,000	30,000
Phillies Bridge Farm	5,000	-
Total	<u>\$365,806</u>	<u>\$363,009</u>

NOTE 10 – LIQUIDITY

The Organization's financial assets available within one year of June 30, 2022, for general expenditures are as follows:

Cash and Cash Equivalents	\$ 1,084,075
Prepaid Expenses	14,469
Pledge Receivable (Net)	106,869
Contract Receivable	17,281
	<u>\$1,222,694</u>

The Organization manages cash flow through its budgeting process and believes its savings are sufficient in the case additional operating cash is needed.

UNITED WAY OF ULSTER COUNTY, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR END JUNE 30, 2022, and 2021

NOTE 11 - CHANGES IN CAPITAL ASSETS

A summary of the changes in capital assets follows:

Asset	June 30, 2021	Additions	Deletions	June 30, 2022
Land and Improvements	\$ 25,000	\$ -	\$ -	\$ 25,000
Building and Improvements	190,092	-	-	190,092
Furniture, Fixtures, and Equipment	119,212	5,288	-	124,500
Totals	334,304	5,288	-	339,592
Accumulated Depreciation	(241,667)	(8,449)	-	(250,116)
Net	<u>\$ 92,637</u>	<u>\$ (3,161)</u>	<u>-</u>	<u>\$ 89,476</u>

NOTE 13 - DEFERRED REVENUE

The organization's deferred revenue represents products or services that are owed to the customer. As the product or service is delivered over time, it is recognized as revenue on the income statement.

	<u>2022</u>	<u>2021</u>
NoVo Foundation Operating	\$ 218,362	\$ 218,371
NoVo Foundation Emergency & Homeless Prevention Fund	63,473	167,627
NoVo Foundation Teacher/TA	141,058	20,973
NoVo Foundation Kingston Spark	33,445	-
Project Resilience	76,841	77,643
Rowley Foundation	23,090	33,033
SR Legacy Fund	16,506	-
Afghan Circle	23,056	-
Total	<u>\$ 595,831</u>	<u>\$ 517,647</u>

NOTE 14 - SUBSEQUENT EVENTS

Management of the United Way of Ulster County has evaluated events after June 30, 2021, through November 7, 2022, which is the date that the financial statements were available to be issued.