



FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY INFORMATION

\* \* \*

JUNE 30, 2023 AND 2022

## TABLE OF CONTENTS

	<u>Page No.</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	8
SUPPLEMENTARY INFORMATION	
INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION	22
Schedules of Allocations and Other Grants	23

## Independent Auditor's Report

October 25, 2023

To the Board of Directors of  
United Way of Broome County, Inc.

### ***Opinion***

We have audited the accompanying financial statements of the United Way of Broome County, Inc., which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the United Way of Broome County, Inc. as of June 30, 2023 and 2022, 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 (GAAS). 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 Broome County, Inc. 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 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 Broome County, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are 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 GAAS 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 GAAS, 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 Broome 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 Broome 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.

*Dannible + McKee, LLP*

UNITED WAY OF BROOME COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION

	<u>June 30,</u>	
<u>Assets</u>	<u>2023</u>	<u>2022</u>
Cash and cash equivalents (Note 1)	\$ 2,289,828	\$ 1,526,674
Restricted cash (Note 1)	35,975	243,233
Pledges receivable, net of allowance of \$29,653 and \$27,403 in 2023 and 2022, respectively (Note 1)	389,344	424,375
Grants and bequests receivable (Note 1)	165,308	57,967
Prepaid expenses	36,432	14,000
Investments (Notes 1, 2, 3 and 5)	31,352,076	29,344,339
Perpetual trusts held by a third party (Notes 1 and 3)	286,879	281,591
Property and equipment, less accumulated depreciation (Notes 1 and 4)	<u>298,644</u>	<u>323,173</u>
Total assets	<u>\$ 34,854,486</u>	<u>\$ 32,215,352</u>
<u>Liabilities and Net Assets</u>		
Line of credit (Note 6)	\$ 285,000	\$ -
Accounts payable	30,175	16,753
Accrued liabilities	55,158	103,641
Deferred revenue (Note 1)	107,037	650
Donor designations payable (Note 1)	<u>204,600</u>	<u>166,795</u>
Total liabilities	<u>681,970</u>	<u>287,839</u>
Net assets (Note 1):		
Without donor restrictions	23,081,791	20,885,214
With donor restrictions	<u>11,090,725</u>	<u>11,042,299</u>
Total net assets	<u>34,172,516</u>	<u>31,927,513</u>
Total liabilities and net assets	<u>\$ 34,854,486</u>	<u>\$ 32,215,352</u>

See accompanying notes to financial statements.

UNITED WAY OF BROOME COUNTY, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2023 Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2022 Total</u>
Revenue:-						
Gross campaign revenue:	\$ 1,776,349	\$ -	\$ 1,776,349	\$ 1,793,617	\$ -	\$ 1,793,617
Less: Donor designations	370,364	-	370,364	313,327	-	313,327
Less: SEFA designations	51,072	-	51,072	55,102	-	55,102
Less: Collection losses	<u>32,797</u>	<u>-</u>	<u>32,797</u>	<u>31,510</u>	<u>-</u>	<u>31,510</u>
Net campaign revenue	1,322,116	-	1,322,116	1,393,678	-	1,393,678
Grant income	137,224	82,500	219,724	94,886	93,546	188,432
Bequests	1,502,308	30,000	1,532,308	283,558	30,000	313,558
Contributions	52,399	48,258	100,657	150,972	25,166	176,138
Contributed facilities (Note 1)	33,872	-	33,872	33,872	-	33,872
Contributions of nonfinancial assets (Note 1)	36,377	-	36,377	340	-	340
Contributed advertising (Note 1)	8,545	-	8,545	-	-	-
Net realized and unrealized gain (loss) on investments	2,110,023	-	2,110,023	(4,147,119)	-	(4,147,119)
Change in value of perpetual trusts held by a third party, net of distributions	-	5,288	5,288	-	(63,698)	(63,698)
Dividends, interest and capital gains, net of investment expenses	592,209	-	592,209	633,017	-	633,017
Other income	19,120	-	19,120	17,522	-	17,522
Net assets released from restrictions: Satisfaction of donor restrictions	<u>117,620</u>	<u>(117,620)</u>	<u>-</u>	<u>99,100</u>	<u>(99,100)</u>	<u>-</u>
Total revenue	<u>5,931,813</u>	<u>48,426</u>	<u>5,980,239</u>	<u>(1,440,174)</u>	<u>(14,086)</u>	<u>(1,454,260)</u>
Expenses:-						
Program services:						
2-1-1/First Call for Help	363,095	-	363,095	372,995	-	372,995
Community Impact Initiatives	<u>2,501,037</u>	<u>-</u>	<u>2,501,037</u>	<u>2,703,996</u>	<u>-</u>	<u>2,703,996</u>
Total program services	<u>2,864,132</u>	<u>-</u>	<u>2,864,132</u>	<u>3,076,991</u>	<u>-</u>	<u>3,076,991</u>
Support services:						
Management and general	499,121	-	499,121	512,544	-	512,544
Resource development	<u>371,983</u>	<u>-</u>	<u>371,983</u>	<u>405,559</u>	<u>-</u>	<u>405,559</u>
Total support services	<u>871,104</u>	<u>-</u>	<u>871,104</u>	<u>918,103</u>	<u>-</u>	<u>918,103</u>
Total expenses	<u>3,735,236</u>	<u>-</u>	<u>3,735,236</u>	<u>3,995,094</u>	<u>-</u>	<u>3,995,094</u>
Change in net assets	2,196,577	48,426	2,245,003	(5,435,268)	(14,086)	(5,449,354)
Net assets, beginning of year	<u>20,885,214</u>	<u>11,042,299</u>	<u>31,927,513</u>	<u>26,320,482</u>	<u>11,056,385</u>	<u>37,376,867</u>
Net assets, end of year	<u>\$ 23,081,791</u>	<u>\$ 11,090,725</u>	<u>\$ 34,172,516</u>	<u>\$ 20,885,214</u>	<u>\$ 11,042,299</u>	<u>\$ 31,927,513</u>

See accompanying notes to financial statements.

UNITED WAY OF BROOME COUNTY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	Program Services			Support Services		2023 Total	Program Services			Support Services		2022 Total
	2-1-1/ First Call For Help	Community Impact Initiatives	Total Program Services	Management and General	Resource Development		2-1-1/ First Call For Help	Community Impact Initiatives	Total Program Services	Management and General	Resource Development	
Expenses:												
Allocations	\$ -	\$ 2,104,505	\$ 2,104,505	\$ -	\$ -	\$ 2,104,505	\$ -	\$ 2,335,556	\$ 2,335,556	\$ -	\$ -	\$ 2,335,556
Capacity grants	-	7,500	7,500	-	-	7,500	-	15,000	15,000	-	-	15,000
	-	2,112,005	2,112,005	-	-	2,112,005	-	2,350,556	2,350,556	-	-	2,350,556
Salaries and wages	248,125	195,759	443,884	287,352	214,002	945,238	262,534	207,127	469,661	304,040	226,430	1,000,131
Payroll taxes and benefits	35,821	27,829	63,650	58,736	29,282	151,668	33,562	30,031	63,593	55,177	28,870	147,640
Supplies and program costs	1,358	40,648	42,006	6,217	10,345	58,568	574	34,443	35,017	11,177	9,745	55,939
Professional fees	16,759	7,145	23,904	72,201	113	96,218	16,550	4,078	20,628	74,685	-	95,313
In-kind expenses	-	70,249	70,249	-	8,545	78,794	-	33,872	33,872	340	-	34,212
Depreciation expense	7,385	5,813	13,198	8,537	6,346	28,081	8,003	6,299	14,302	9,252	6,877	30,431
Advertising and promotional	224	1,068	1,292	350	49,845	51,487	890	-	890	273	75,890	77,053
Dues and subscriptions	19,161	9,250	28,411	13,327	11,769	53,507	17,170	5,181	22,351	10,986	11,928	45,265
Occupancy expenses	10,394	8,181	18,575	12,015	8,932	39,522	8,737	6,877	15,614	10,099	7,508	33,221
Dues to affiliates	5,780	4,550	10,330	6,682	4,967	21,979	9,066	7,135	16,201	10,479	7,790	34,470
Travel, education and meeting expense	1,027	2,055	3,082	9,089	1,189	13,360	567	3,060	3,627	7,058	1,374	12,059
Other expenses	-	3,639	3,639	5,750	12,625	22,014	-	3,984	3,984	2,305	16,752	23,041
Insurance	5,160	4,062	9,222	5,965	4,434	19,621	4,429	3,486	7,915	5,120	3,806	16,841
Telephone	8,383	6,015	14,398	8,834	6,567	29,799	7,782	5,402	13,184	7,933	5,898	27,015
Equipment maintenance	2,266	1,784	4,050	2,619	1,947	8,616	2,118	1,667	3,785	2,449	1,820	8,054
Postage and supplies	1,252	985	2,237	1,447	1,075	4,759	1,013	798	1,811	1,171	871	3,853
Total expenses	\$ 363,095	\$ 2,501,037	\$ 2,864,132	\$ 499,121	\$ 371,983	\$ 3,735,236	\$ 372,995	\$ 2,703,996	\$ 3,076,991	\$ 512,544	\$ 405,559	\$ 3,995,094

See accompanying notes to financial statements.

UNITED WAY OF BROOME COUNTY, INC.

STATEMENTS OF CASH FLOWS

	<u>Year ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
<u>Increase (decrease) in cash and cash equivalents</u>		
Cash flows from operating activities:		
Cash received from grants and donors	\$ 3,207,030	\$ 2,115,307
Cash paid for allocations and to suppliers and employees	(3,759,397)	(3,983,618)
Dividends and interest	699,780	631,272
Interest paid	<u>(5,251)</u>	<u>(788)</u>
Net cash provided by (used for) operating activities	<u>142,162</u>	<u>(1,237,827)</u>
Cash flows from investing activities:		
Proceeds from sale of investments	16,652,313	15,772,649
Purchase of investments	(16,550,027)	(14,848,694)
Purchase of property and equipment	<u>(3,552)</u>	<u>(3,470)</u>
Net cash provided by investing activities	<u>98,734</u>	<u>920,485</u>
Cash flows from financing activities:		
Borrowings on line of credit	285,000	280,000
Repayment on line of credit	-	(280,000)
Collections of contributions restricted to endowment	<u>30,000</u>	<u>30,000</u>
Net cash provided by financing activities	<u>315,000</u>	<u>30,000</u>
Net increase (decrease) in cash and cash equivalents	555,896	(287,342)
Cash and cash equivalents, beginning of year (Note 1)	<u>1,769,907</u>	<u>2,057,249</u>
Cash and cash equivalents, end of year (Note 1)	<u>\$ 2,325,803</u>	<u>\$ 1,769,907</u>

- CONTINUED -

See accompanying notes to financial statements.



UNITED WAY OF BROOME COUNTY, INC.

STATEMENTS OF CASH FLOWS

(- CONTINUED -)

	<u>Year ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
<u>Reconciliation of change in net assets to net cash provided</u> <u>by (used for) operating activities</u>		
Change in net assets	\$ 2,245,003	\$ (5,449,354)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Net realized and unrealized (gain) loss on investments	(2,110,023)	4,147,119
Change in value of perpetual trusts held by a third party	(5,288)	63,698
Depreciation	28,081	30,431
(Increase) decrease in pledges receivable	35,031	(4,956)
Increase in grants and bequests receivable	(137,341)	(5,719)
(Increase) decrease in prepaid expenses	(22,432)	9,565
Increase (decrease) in accounts payable	13,422	(44,281)
Increase (decrease) in accrued liabilities	(48,483)	14,973
Increase (decrease) in deferred revenue	106,387	(2,143)
Increase in donor designations payable	37,805	2,840
	<u>142,162</u>	<u>(1,237,827)</u>
Net cash provided by (used for) operating activities	<u>\$ 142,162</u>	<u>\$ (1,237,827)</u>

See accompanying notes to financial statements.

## UNITED WAY OF BROOME COUNTY, INC.

### NOTES TO FINANCIAL STATEMENTS

#### Note 1 - Summary of operations and significant accounting policies

Nature of operations - United Way of Broome County, Inc. (the “Organization”) was established in 1954 as the Broome County United Fund, Inc. Several entities merged, and in 1973 the name United Way of Broome County, Inc. was adopted. The Organization is a tax-exempt, public charitable organization with a mission to drive change that will have a positive impact on the critical needs of the Broome County community by strategically leveraging the collective resources of community partners. The Organization assesses community needs, solicits public contributions, and allocates these funds to programs of partner agencies that meet identified needs. The Organization provides the following program services: 2-1-1 (Information & Referrals) and Community Impact and Initiatives Programs, as well as Volunteer Engagement as part of their fundraising initiative.

2-1-1 (information & referrals) - The 2-1-1 Susquehanna River Region Contact Center provides information and referrals to agencies and programs in Broome, Chenango, Delaware, Otsego, and Tioga Counties. 2-1-1 specialists connect individuals with a wide range of resources and services, including food access, health care, housing and utilities payment assistance, employment services, veteran services, childcare, crisis and emergency counseling, disaster relief, and more through an online extensive database of more than 2,900 resources, agencies, and program information.

Community impact and initiatives programs - This refers to efforts working with community residents, organizations, leaders, and other stakeholders to further the United Way of Broome County, Inc.’s mission and increase its investment in activities that promote the Organization’s vision. Through the development of shared community visions, the Organization supports building blocks to a quality life: health, education, financial stability, and basic needs. Community impact and initiatives programs work on creating the greatest possible impact to improve outcomes for individuals and families and achieve community level change through the Healthy Lifestyles Coalition (HLC), the United Way of Broome County’s Strategic Priorities and Basic Needs Grant Program, the Emergency Grant Program, the Healthy Lifestyles Coalition Grant Program, and the Capacity Building Grant Program. Community volunteers serve on Impact Councils and make recommendations to the Board of Directors regarding the disbursement of funds raised in the annual Community Campaign to Fund Community Partners through the listed grant programs. Funds used are monitored to ensure utilization meets high standards, set goals are achieved, and impact is attained. Periodic program and financial reports of Funded Community Partners are submitted for review by the Community Impact and Initiatives Team, Impact Councils, and the Board of Directors. Community impact and initiatives programs understand community needs, are aware of community resources, and have knowledge of local and national best practice strategies. By leveraging and aligning the Organization’s unique strengths and abilities, community impact and initiatives programs engage in relationships and partnerships, and measure results, ensuring the highest level of accountability, integrity, and impact.

Volunteer engagement - Supports the coordination of all volunteer activities at the Organization, including Day of Caring, Day of Action, National Volunteer Week, MLK Day, and other days of service and volunteering opportunities. The function is responsible for collaborating with community partners, community coalitions, school districts, universities, and other stakeholders to identify, implement, and evaluate volunteer opportunities and strategies to improve outcomes for Broome County residents under United Way's focus areas of health, education, and financial stability. By working collaboratively with the Organization's Resource Development function, Volunteer Engagement develops and maintains volunteer and donor relationships across the sectors of the community. With over 2,050 community volunteers mobilized annually, the Volunteer Engagement function works to increase the Organization's awareness and engagement across the community and heavily relies on the Resource Development function for support, guidance, and collaboration.

Basis of accounting - The financial statements have been prepared on the accrual basis of accounting, which recognizes income when earned and expenses when incurred.

Basis of presentation - The accompanying financial statements have been prepared in accordance with the Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) 958-205, *Not-for-Profit Entities, Presentation of Financial Statements*. Under this guidance, the Organization is required to report information regarding its assets, liabilities, revenues, and expenses according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions - Net assets without donor restrictions consist of the net assets of the Organization that are without any donor-imposed stipulations. These amounts are available for the support of operations. The Board has designated a portion of net assets without donor restrictions as a quasi-endowment for the purpose of securing the Organization's long-term financial viability.

Net assets with donor restrictions - Net assets with donor restrictions consist of the net assets of the Organization whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled by actions of the Organization pursuant to those stipulations. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities as net assets released from restrictions. Additionally, net assets with donor restrictions consist of the net assets of the Organization that are maintained permanently by the Organization subject to donor-imposed stipulations while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy.

Net assets with donor restrictions consisted of the following:

	June 30,	
	2023	2022
Donor restricted endowment	\$ 10,713,855	\$ 10,683,855
Perpetual trusts held by a third party	286,879	281,591
Community impact programs	89,991	76,853
	<u>\$ 11,090,725</u>	<u>\$ 11,042,299</u>

Revenue recognition - Campaign revenue and other contributions are recognized as revenue in the year an unconditional promise to give is received and are recorded at their fair value. All contributions are considered available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted for future periods (time restriction) or are restricted by the donor for specific purposes (purpose restrictions) are reported as support with donor restrictions. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. The Organization may be a beneficiary under wills and trust agreements. Related amounts are recorded when either the will is declared valid by a probate court or the Organization is notified as an irrevocable beneficiary of a trust and the proceeds are measurable. Revenue from various contracts is recognized as qualifying expenses are incurred. Amounts received prior to incurring qualifying expenses are reported as deferred revenue in the statements of financial position.

The Organization was awarded cost-reimbursable and milestone grants of \$23,518 and \$20,742 that have not been recognized at June 30, 2023 or 2022, respectively, because qualifying expenses have not been incurred or milestones have not been achieved. As of June 30, 2023 and 2022, the Organization had advance payments recognized as deferred revenue in the statements of financial position from grants or fees from program services of \$107,037 and \$650, respectively.

Cash and cash equivalents - The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

The reconciliation of cash and cash equivalents as reported on the statements of cash flows is comprised of the following:

	June 30,	
	2023	2022
Cash and cash equivalents	\$ 2,289,828	\$ 1,526,674
Restricted cash	35,975	243,233
Cash and cash equivalents per the statements of cash flows	<u>\$ 2,325,803</u>	<u>\$ 1,769,907</u>

Restricted cash - Restricted cash consists of funds that have been designated by the Board for use associated with certain specified programs.

Pledges receivable and donor designations payable - The Organization receives pledges through their annual fundraising campaign. These unconditional pledges are recorded when the pledge is received. Pledges receivable is stated at the amount management expects to collect from outstanding balances. An allowance for doubtful accounts of \$29,653 and \$27,403 as of June 30, 2023 and 2022, respectively, have been recorded based on previous collectability history and current economic conditions. Certain pledges are designated as donations for other beneficiaries. These pledges represent pass through income and are treated as agency transactions. Donor designations payable are recorded for pledges received for the benefit of outside agencies, not yet paid at year-end.

Grants and bequests receivable - Grants and bequests receivable consists of amounts due from various governmental and private entities. Grants and bequests receivable are stated at the amount management expects to collect from outstanding balances. No provision has been made for uncollectible amounts as management considers all amounts to be collectible.

Investments - Investments are reported at fair value in accordance with the FASB's authoritative guidance on accounting for certain investments held by not-for-profit organizations. Funds are invested in a well-diversified asset mix, which includes primarily debt and equity securities, that is intended to result in a consistent inflation protected rate of return. Purchases and sales of securities are recorded on a trade-date basis. The difference between cost and fair market value is recorded as an unrealized gain or loss in the statements of activities. Income and gains on investments are reported as increases in net assets with donor restrictions if the term of the gift that gave rise to the investment requires such amounts be added to permanent endowment principal. Income and gains on investments are reported as increases in net assets with donor restrictions if the terms of the gift impose restrictions on the use of the income and/or the income is related to a donor-restricted endowment fund. All other income and gains on investments are reported as increases in net assets without donor restrictions. All interest and dividend income from investments is recognized when earned.

Perpetual trusts held by a third party - The assets held under these agreements are recorded at their fair value. Under the terms of the trusts, the Organization has the irrevocable right to receive a portion of the income earned on the trusts' assets in perpetuity; however, the Organization will never receive the assets held in trusts. At the date the Organization receives notice of a beneficial interest, a contribution with donor restrictions is recorded in the statements of activities and a beneficial interest in perpetual trusts is recorded in the statements of financial position at the fair value of the underlying trust assets. Thereafter, beneficial interest in the trust is reported at the fair value of the trust's assets in the statements of financial position, with trust distributions and changes in fair value recognized in the statements of activities. The balance of beneficial interests held in trusts as of June 30, 2023 and 2022, was \$286,879 and \$281,591, respectively.

Fair value and financial instruments - The fair value of financial instruments is based upon quoted market prices where available. If such quoted market prices are not available, fair value is based upon models that primarily use, as inputs, observable market-based parameters. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value and may include amounts based upon unobservable parameters. Any such valuation adjustments are

applied consistently over time. The FASB's authoritative guidance on fair value measurements defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles, and expands disclosures about fair value measurements (See Note 3).

Property and equipment - Property and equipment are recorded at cost or, for donated assets, at the estimated fair market value at the date of acquisition. The Organization considers expenditures of \$1,000 or more with useful lives over three years to be capital in nature. Depreciation for financial statement purposes is computed on the straight-line method over the assets' estimated useful lives, which range from three to forty years. Maintenance and repairs are expensed as incurred; major renewals and betterments are capitalized. When items of property or equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in change in net assets.

Allocations and other grants - Allocations and other grants are recorded as an expense if they are unconditional and approved for payment, or if conditions have been met by the benefiting organization. The Organization's Board awards allocations to local partner agencies and other grants. There were no allocations and other grants payable as of June 30, 2023 or 2022.

Employee retirement plans - The Organization has adopted a tax-deferred annuity plan under Section 403(b) of the Internal Revenue Code. The plan covers all permanent employees of the Organization who are over the age of twenty-one and is funded through employee voluntary contributions. There are no expenses for the Organization for this plan.

The Organization has also adopted a SEP-IRA Plan for permanent employees. Permanent employees of the Organization are eligible to participate starting on the employee's third anniversary with the Organization. The Board establishes an employer contribution percentage during the annual budgeting process. The contribution rate for fiscal 2023 and 2022 was 3%. Total employer contributions were \$18,752 and \$18,611 in 2023 and 2022, respectively.

Financial instruments, concentration and credit risks - The Organization maintains cash balances at various financial institutions. Cash balances may exceed the amounts insured by the Federal Deposit Insurance Corporation (FDIC). Amounts in excess of FDIC insurance limits are subject to normal credit risk. The Organization's investments are exposed to various risks, such as interest, market and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect the net assets of the Organization.

Income taxes - Pursuant to the FASB's guidance related to not-for-profit entities, the Organization is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC).

The Organization has reviewed its operations for uncertain tax positions and believes there are no significant exposures. The Organization will include interest on income tax liabilities in interest expense and penalties in operations if such amounts arise. The Organization is no longer subject to Federal or state examinations by tax authorities for the closed tax years before 2019.

Advertising expense - The Organization expenses advertising costs when incurred. Advertising and promotional expenses amounted to approximately \$51,500 and \$77,000 in 2023 and 2022, respectively.

New accounting pronouncement - In September 2020, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2020-07, Not-For-Profit Entities (Topic 958): “Presentation and Disclosures By Not-for-Profit Entities For Contributed Nonfinancial Assets.” The objective of ASU 2020-07 is to increase transparency about gifts-in-kind, including how they are valued and utilized, through enhanced presentation and disclosure. Under ASU 2020-07, nonprofits are required to show in-kind revenues as a separate line item on the statement of activities, apart from contributions of cash and other financial assets, and requires nonprofit entities to disclose the total value recognized for each category of gifts-in-kind in the notes to the financial statements.

The Organization was required to adopt ASU 2020-07 for the year ended June 30, 2023, on a retrospective basis. Accordingly, for the year ended June 30, 2022, in-kind contributions of \$34,212 were broken out on the statement of financial activities as contributed facilities of \$33,872 and contributions of nonfinancial assets of \$340.

In-kind contributions - Contributed nonfinancial assets are recorded as in-kind revenue and expense at the earlier of when an unconditional promise to give is received, or when nonfinancial goods or contributed services are received. The Organization’s policy is to use contributed nonfinancial assets for programmatic or other purposes unless the assets have no utility consistent with the Organization’s mission. In those instances, the assets would be monetized.

Revenue from contributions of nonfinancial assets were as follows:

Contribution Type	2023	2022	Usage in programs/ activities	Donor-imposed restrictions	Fair value techniques and inputs
Facilities rental	\$ 33,872	\$ 33,872	Program	None	Recent comparable rental rates in the rental market of Binghamton, New York
Contributed advertising	8,545	-	Resource development	None	Estimate based on vendor provided pricing
Donated apparel	36,377	-	Program	None	Estimate based on current local rates for similar items
Supplies	-	340	Management and general	None	Estimate based on current local rates for similar items
Total	\$ 78,794	\$ 34,212			

The Organization is given the use of the premises owned by the City of Binghamton on the condition that the Organization use the premises for services which benefit the community. See Note 4 for further disclosures. The estimated fair value rental of the space used is recorded as both revenue and expense for the period in which the premises are used.

Donated services - The Organization receives services from many volunteers who give significant amounts of their time to the Organization’s programs and fundraising campaigns. No amounts have been reflected in the financial statements for these types of donated services as they

do not meet the criteria for recognition under the FASB’s authoritative guidance on accounting for contributions received and contributions made.

Functional expense allocation - The costs of program and support services have been summarized on a functional basis in the statements of activities. The costs are functionalized on a direct basis where possible. Indirect costs are allocated based on an estimate of the time spent by the Organization’s management and staff in each functional area.

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

Subsequent events - Management has evaluated subsequent events through October 25, 2023, the date which the financial statements were available for issue.

Note 2 - Investments

Investments are presented in the financial statements at fair value and are subject to normal market fluctuations. Investments consisted of the following:

	June 30, 2023		
	Cost	Fair Value	Unrealized Appreciation/ (Depreciation)
Equity securities	\$ 17,461,382	\$ 21,333,320	\$ 3,871,938
Fixed income	10,419,287	10,018,756	(400,531)
Total investments	\$ 27,880,669	\$ 31,352,076	\$ 3,471,407
	June 30, 2022		
	Cost	Fair Value	Unrealized Appreciation/ (Depreciation)
Equity securities	\$ 16,401,080	\$ 19,921,376	\$ 3,520,296
Fixed income	11,156,745	9,422,963	(1,733,782)
Total investments	\$ 27,557,825	\$ 29,344,339	\$ 1,786,514

Investment income is recorded net of related transaction, custody, and management fees. Investment fees paid for the years ended June 30, 2023 and 2022, were approximately \$180,000 and \$175,000, respectively.



### Note 3 - Fair value measurements

The Organization reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to assessments of the quality, risk, or liquidity profile of the asset.

Investments are measured at fair value utilizing Level 1 and Level 2 inputs. The fair value of beneficial interest in perpetual trusts is based on the fair value of the trusts' investments as reported by the trustees of those funds. These are considered to be Level 3 measurements.

The following tables presents assets measured at fair value on a recurring basis:

	June 30, 2023			
	Level 1	Level 2	Level 3	Total
Investments:				
Equity securities	\$ 21,333,320	\$ -	\$ -	\$ 21,333,320
Fixed income	<u>-</u>	<u>10,018,756</u>	<u>-</u>	<u>10,018,756</u>
Total investments	<u>\$ 21,333,320</u>	<u>\$ 10,018,756</u>	<u>\$ -</u>	<u>\$ 31,352,076</u>
Perpetual trusts held by a third party:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 286,879</u>	<u>\$ 286,879</u>

	June 30, 2022			
	Level 1	Level 2	Level 3	Total
Investments:				
Equity securities	\$ 19,921,376	\$ -	\$ -	\$ 19,921,376
Fixed income	<u>-</u>	<u>9,422,963</u>	<u>-</u>	<u>9,422,963</u>
Total investments	<u>\$ 19,921,376</u>	<u>\$ 9,422,963</u>	<u>\$ -</u>	<u>\$ 29,344,339</u>
Perpetual trusts held by a third party:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 281,591</u>	<u>\$ 281,591</u>

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using unobservable inputs (Level 3):

	June 30,	
	2023	2022
Balance, beginning of year	\$ 281,591	\$ 345,289
Investment return, net of distribution	22,988	(45,998)
Distributions	<u>(17,700)</u>	<u>(17,700)</u>
Balance, end of year	<u>\$ 286,879</u>	<u>\$ 281,591</u>

#### Note 4 - Property and equipment

Property and equipment consisted of the following:

	<u>June 30,</u>	
	<u>2023</u>	<u>2022</u>
Land	\$ 12,881	\$ 12,881
Building	853,408	851,253
Furniture and fixtures	185,026	183,629
Software and network	93,838	93,838
	<u>1,145,153</u>	<u>1,141,601</u>
Less - Accumulated depreciation	<u>846,509</u>	<u>818,428</u>
	<u>\$ 298,644</u>	<u>\$ 323,173</u>

Depreciation expense was \$28,081 and \$30,431 for the years ended June 30, 2023 and 2022, respectively, and has been included in expenses in the accompanying statements of functional expenses.

The Organization has a lease agreement with the City of Binghamton that states the Organization will lease the land and buildings located at 108 Liberty Street, Binghamton, NY through December 31, 2023. Under this lease, the Organization is responsible for all expenses of the property, including taxes, if any, maintenance, and utilities. The Organization must provide its charitable programs to the community at no cost to the public. As discussed in Note 1, the estimated fair value of the lease as of June 30, 2023 and 2022, was approximately \$34,000 and has been recorded as contributed facilities and in-kind expense in the accompanying statements of activities and functional expenses.

#### Note 5 - Endowments

The Organization's endowment includes both donor restricted endowments and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles (GAAP), net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor imposed restrictions.

The Board has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as adopted by the State of New York, as requiring the perseveration of the fair value of the original gifts as of the gift date of the donor restricted funds, absent any explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as donor restricted (perpetual in nature) net assets (a) the original value of the 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. The remaining portion of the donor restricted endowment fund that is not classified as donor restricted (perpetual in nature) is classified as donor restricted (purpose restricted) net assets until those amounts are approved for expenditure by the Organization in a manner consistent with the standard of

prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

1. The duration and preservation of the funds;
2. The purposes of the Organization and the donor restricted endowment funds;
3. The general economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from income and the appreciation/(depreciation) of investments;
6. Other resources of the Organization; and
7. The investment policies of the Organization.

Return objectives and risk parameters - The Organization 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 maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor restricted funds that the Organization must hold in perpetuity or for donor specified periods, as well as Board designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested to provide an average rate of return of approximately nine percent annually. Actual returns in any given year may vary from this amount.

Strategies employed for achieving objectives - To satisfy its long-term rate of return objectives, the Organization's investment policy relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending policy and how the investment objective relates to the spending policy - Distribution of endowment funds are reviewed annually by the Audit & Finance Committee and recommended for approval by the Board of Directors. A guideline for distributions from the four main trust and endowment funds is calculated based upon 5% of the five-year average of the fair market value of these funds as of December 31 of each year along with the previous twenty-four quarters. The amounts approved for distribution from these funds were \$1,525,891 and \$1,702,468 for the years ended June 30, 2023 and 2022, respectively. The Organization's objective is to preserve the long-term, real purchasing power of assets while providing a relatively predictable and growing stream of annual distributions in support of the Organization.

The Organization has established an Emergency Reserve fund to ensure fiscal stability in the event of unexpected circumstances facing the Organization. The Emergency Reserve refers to the portion of net assets without donor restrictions that the Board of Directors maintains and formally designates for use in emergencies to sustain financial operations. Maintaining adequate emergency reserves is necessary for the Organization to be financially stable.

The following tables report endowment net asset composition and changes in net assets by type of fund:

	June 30, 2023		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor restricted endowment	\$ -	\$ 10,713,855	\$ 10,713,855
Board designated endowment	<u>22,466,390</u>	<u>-</u>	<u>22,466,390</u>
	<u>\$ 22,466,390</u>	<u>\$ 10,713,855</u>	<u>\$ 33,180,245</u>

	June 30, 2023		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of the year	\$ 19,787,741	\$ 10,683,855	\$ 30,471,596
Bequests	1,502,308	30,000	1,532,308
Appropriation of endowment funds for Community Investments and Community Impact Activity	(1,525,891)	-	(1,525,891)
Investment return:			
Dividends and interest, net	592,209	-	592,209
Net realized and unrealized gain on investments	<u>2,110,023</u>	<u>-</u>	<u>2,110,023</u>
Endowment net assets, end of the year	<u>\$ 22,466,390</u>	<u>\$ 10,713,855</u>	<u>\$ 33,180,245</u>

	June 30, 2022		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor restricted endowment	\$ -	\$ 10,683,855	\$ 10,683,855
Board designated endowment	<u>19,787,741</u>	<u>-</u>	<u>19,787,741</u>
	<u>\$ 19,787,741</u>	<u>\$ 10,683,855</u>	<u>\$ 30,471,596</u>

	<u>June 30, 2022</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of the year	\$ 24,720,753	\$ 10,653,855	\$ 35,374,608
Bequests	283,558	30,000	313,558
Appropriation of endowment funds for Community Investments and Community Impact Activity	(1,702,468)	-	(1,702,468)
Investment return:			
Dividends and interest	633,017	-	633,017
Net realized and unrealized loss on investments	<u>(4,147,119)</u>	<u>-</u>	<u>(4,147,119)</u>
Endowment net assets, end of the year	<u>\$ 19,787,741</u>	<u>\$ 10,683,855</u>	<u>\$ 30,471,596</u>

#### Note 6 - Line of credit

The Organization has a \$750,000 line of credit with a financial institution, with interest at prime (8.25% as of June 30, 2023) less 1%. There is an outstanding balance of \$285,000 and \$0- on the line of credit as of June 30, 2023 and 2022, respectively. The line of credit is secured by the investment assets maintained at NBT. The Organization paid interest of \$5,251 and \$788 during fiscal 2023 and 2022, respectively.

#### Note 7 - Risks and uncertainties

Financial awards from governmental entities in the form of grants are subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this time. Economic conditions may affect the Organization's ability to collect on pledge or grants receivables.

Accordingly, while management cannot quantify the financial and other impacts to the Organization as of October 25, 2023, there is a reasonable possibility that the impact on the Organization's financial position and results of future operations could be material.

## Note 8 - Liquidity and availability of financial assets

The following represents the Organization's financial assets at June 30, 2023 and 2022, reduced by amounts that are not available to meet general expenditures within one year of the statements of financial position:

	<u>2023</u>	<u>2022</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 2,289,828	\$ 1,526,674
Pledges receivable, net	389,344	424,375
Grants and bequests receivable	165,308	57,967
Investments	<u>31,352,076</u>	<u>29,344,339</u>
	34,196,556	31,353,355
Less - Amounts not available to be used within one year:		
Board designated endowment fund	22,466,390	19,787,741
Net assets with donor restrictions	<u>11,090,725</u>	<u>11,042,299</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 639,441</u>	<u>\$ 523,315</u>

The Board designated endowment fund is not generally available for operations. If the Board chooses, these designated funds can be undesignated and become available for general operations. Net assets with donor restrictions can only be used in accordance with donor restrictions and are generally not available for operations.

SUPPLEMENTARY INFORMATION



Independent Auditor's Report on Supplementary Information

October 25, 2023

To the Board of Directors of  
United Way of Broome County, Inc.

We have audited the financial statements of the United Way of Broome County, Inc. as of and for the years ended June 30, 2023 and 2022, and have issued our report thereon dated October 25, 2023, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole.

The schedules of allocations and other grants are presented for purposes 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.

*Dannible + McKee, LLP*

UNITED WAY OF BROOME COUNTY, INC.

SCHEDULES OF ALLOCATIONS AND OTHER GRANTS

	<u>Year ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Grants to local partner agencies:		
ACCORD	\$ 33,500	\$ 33,500
ACHIEVE	-	7,524
Action for Older Persons	70,550	70,287
American Civic Association	22,500	26,400
American Red Cross - Southern Tier	53,070	84,804
Association for Vision Rehabilitation & Employment, Inc.	-	7,400
Big Brothers Big Sisters of Twin Tiers	30,000	45,000
Boys & Girls Club of Binghamton	159,001	149,062
Broome County Gang Prevention	45,000	40,000
Broome/Tioga NAACP/Economic Development Committee	4,085	4,500
CARES Advocates for Families, Inc	-	6,925
Catholic Charities - Broome	158,804	154,419
Children's Home of Wyoming Conference	15,000	84,065
Cornell Cooperative Extension - Broome	28,343	28,472
Council of Churches - Broome	20,941	34,702
Crime Victims Assistance Center	65,606	45,296
Deposit Community Center Wilson Child	37,200	3,000
Deposit Foundation, Inc.	7,514	20,000
Downtown Binghamton Courtyard Market	5,001	-
Endwell United Methodist Church	-	8,597
Fairview Recovery Services, Inc.	11,600	7,459
Family & Children's Counseling Services	-	40,254
Family Counseling Services of Cortland County	54,000	-
Family Enrichment Network - Broome	8,017	38,525
Family Planning of South Central NY	63,446	64,418
Fenton Free Library	-	12,126
First Presbyterian Church of Johnson City	46,500	52,518
Food Bank of the Southern Tier	50,000	50,145
Girl Scouts - Broome/NYPENN Pathways	12,000	-
Goodwill Theatre	-	23,500
Handicapped Children's Association of Southern NY, Inc.	-	10,583
Helping Celebrate Abilities	6,596	-
Jewish Community Center	105,400	105,400
Ladies of Charity	-	15,500

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- 23 -

UNITED WAY OF BROOME COUNTY, INC.

SCHEDULES OF ALLOCATIONS AND OTHER GRANTS

(- CONTINUED -)

	<u>Year ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Life Choices Center, Inc.	8,330	18,590
Literacy Volunteers	16,575	33,519
Meals on Wheels of Western Broome	-	9,200
Mental Health Association of Southern Tier	-	17,850
Mom's House of Endicott, NY, Inc.	7,500	7,500
Mothers and Babies Perinatal Network	60,000	60,765
Recess Resources (Cub Care Children's Center)	-	25,000
Research Center for SUNY Binghamton University	14,591	-
Rise-NY/SOS Shelter	95,000	56,725
Rural Health Network of South Central NY	93,245	97,279
Safe Streets (NoMa)	19,143	13,980
Salvation Army - Broome	49,000	40,000
Samaritan Counseling Center of the Southern Tier, Inc.	-	6,512
Southern Tier Independence Center	66,594	-
Southern Tier Zoological Society/Ross Park Zoo	4,882	5,654
Stack Project, Inc.	10,000	10,000
Stand With Me; Assisted Dog Team Training, Inc	30,000	25,000
Triple Cities Makerspace, Inc.	18,500	-
Truth Pharm, Inc.	-	39,576
Union-Endicott School District	-	3,300
United Presbyterian Church of Binghamton	-	16,500
Urban League, Inc.	25,933	39,067
Volunteers Improving Neighborhood Environments	81,547	77,287
Volunteers of America of Western NY	77,991	40,000
Whitney Point CSD	-	9,090
Whitney Point Preschool & Daycare	-	11,994
Wilson Children's Center	-	37,200
YMCA - Broome/Binghamton	231,250	278,837
YWCA - Broome/Binghamton	80,750	80,750
	<u>2,104,505</u>	<u>2,335,556</u>
Total grants to local partner agencies		
Other grants:		
Capacity grants	<u>7,500</u>	<u>15,000</u>
Total allocations and other grants	<u>\$ 2,112,005</u>	<u>\$ 2,350,556</u>