UNITED WAY OF LONG ISLAND
FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED
JUNE 30, 2019 AND 2018
TOGETHER WITH AUDITOR’S REPORT
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<th>INDEX</th>
<th>PAGE(S)</th>
</tr>
</thead>
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<td>9-18</td>
</tr>
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INDEPENDENT AUDITOR’S REPORT

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

We have audited the accompanying financial statements of the United Way of Long Island (“UWLI”), which comprise the statements of financial position as of June 30, 2019 and 2018, 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.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements 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 entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

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, 2019 and 2018, 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.

**Change in Accounting Principle**

As described in Note 3 to the financial statements, in 2019 UWLI adopted new accounting guidance, Accounting Standards Update ("ASU") 2016-14, Not-For-Profit Entities (Topic 958); Presentation of Financial Statements of Not-For-Profit Entities. The effect of ASU 2016-14 requires UWLI to apply the changes discussed in Note 3 to the financial statements retrospectively to all periods presented. Our opinion is not modified with respect to this matter.

**Correction of Error**

As discussed in Note 14 to the financial statements, amounts received in prior years was incorrectly reported as deferred revenues. Accordingly, amounts reported for deferred revenues and net assets have been restated as of July 1, 2017. Our opinion is not modified with respect to this matter.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated October 16, 2019 on our consideration of UWLI'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 UWLI's internal control over financial reporting and compliance.

Melville, New York
October 16, 2019

[Signature]
## UNITED WAY OF LONG ISLAND
### STATEMENTS OF FINANCIAL POSITION
#### AS OF JUNE 30, 2019 AND 2018

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT ASSETS:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>$2,509,987</td>
<td>$1,540,130</td>
</tr>
<tr>
<td>Restricted</td>
<td>$4,613,861</td>
<td>$2,656,202</td>
</tr>
<tr>
<td>Total cash and cash equivalents</td>
<td>$7,123,848</td>
<td>$4,198,332</td>
</tr>
<tr>
<td>Pledges and other receivables, net of allowance for uncollectible pledges of $734,510 and $989,240, respectively</td>
<td>$3,469,737</td>
<td>$3,082,647</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>$29,107</td>
<td>$165,219</td>
</tr>
<tr>
<td>Total current assets</td>
<td>$10,622,672</td>
<td>$7,446,198</td>
</tr>
<tr>
<td>FIXED ASSETS, net of accumulated depreciation and amortization of $1,949,438 and $2,776,070, respectively</td>
<td>$2,802,160</td>
<td>$2,901,980</td>
</tr>
<tr>
<td>Total assets</td>
<td>$13,424,832</td>
<td>$10,348,178</td>
</tr>
</tbody>
</table>

### LIABILITIES AND NET ASSETS

<table>
<thead>
<tr>
<th>CURRENT LIABILITIES:</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current portion of bond payable</td>
<td>$126,079</td>
<td>$119,823</td>
</tr>
<tr>
<td>Current portion of promissory note payable</td>
<td>$3,859</td>
<td>$3,667</td>
</tr>
<tr>
<td>Construction loan payable</td>
<td>$250,000</td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$899,304</td>
<td>$213,771</td>
</tr>
<tr>
<td>Allocations payable to agencies</td>
<td>$608,276</td>
<td>$689,346</td>
</tr>
<tr>
<td>Government advances</td>
<td>$2,776,026</td>
<td></td>
</tr>
<tr>
<td>Designations payable</td>
<td>$444,149</td>
<td>$506,241</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td></td>
<td>$498,650</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>$5,107,693</td>
<td>$2,031,498</td>
</tr>
<tr>
<td>LONG-TERM LIABILITIES:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bond payable</td>
<td>$1,771,818</td>
<td>$1,879,066</td>
</tr>
<tr>
<td>Promissory note payable</td>
<td>$61,857</td>
<td>$65,715</td>
</tr>
<tr>
<td>Total long-term liabilities</td>
<td>$1,833,675</td>
<td>$1,944,781</td>
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<tr>
<td>Total liabilities</td>
<td>$6,941,368</td>
<td>$3,976,279</td>
</tr>
</tbody>
</table>

### NET ASSETS:

<table>
<thead>
<tr>
<th>Net assets without donor restrictions:</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undesignated</td>
<td>$3,749,394</td>
<td>$4,334,726</td>
</tr>
<tr>
<td>Board-designated</td>
<td>$1,286,083</td>
<td>$1,170,026</td>
</tr>
<tr>
<td>Total net assets without donor restrictions</td>
<td>$5,035,477</td>
<td>$5,504,752</td>
</tr>
<tr>
<td>Net assets with donor restrictions</td>
<td>$1,447,987</td>
<td>$867,147</td>
</tr>
<tr>
<td>Total net assets</td>
<td>$6,483,464</td>
<td>$6,371,899</td>
</tr>
<tr>
<td>Total liabilities and net assets</td>
<td>$13,424,832</td>
<td>$10,348,178</td>
</tr>
</tbody>
</table>

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, 2019

<table>
<thead>
<tr>
<th>PUBLIC SUPPORT AND REVENUE:</th>
<th>Without donor restrictions</th>
<th>With donor restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public support -</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long Island sources</td>
<td>$ 4,882,861</td>
<td>$ 1,192,005</td>
<td>$ 6,074,866</td>
</tr>
<tr>
<td>Government contracts</td>
<td>10,446,388</td>
<td>-</td>
<td>10,446,388</td>
</tr>
<tr>
<td>Special Events</td>
<td>1,035,060</td>
<td>-</td>
<td>1,035,060</td>
</tr>
<tr>
<td>Superstorm Sandy relief</td>
<td>-</td>
<td>757,822</td>
<td>757,822</td>
</tr>
<tr>
<td>Total funds raised</td>
<td>16,364,309</td>
<td>1,949,827</td>
<td>18,314,136</td>
</tr>
<tr>
<td>Amounts raised with donor designation</td>
<td>(466,184)</td>
<td>-</td>
<td>(466,184)</td>
</tr>
<tr>
<td>Total public support</td>
<td>15,898,125</td>
<td>1,949,827</td>
<td>17,847,952</td>
</tr>
<tr>
<td>Provision for estimated collection losses at the UWLI level</td>
<td>(631,608)</td>
<td>-</td>
<td>(631,608)</td>
</tr>
<tr>
<td>Total public support, net</td>
<td>15,266,517</td>
<td>1,949,827</td>
<td>17,216,344</td>
</tr>
</tbody>
</table>

| Revenue -                       |                            |                         |             |
| Interest                        | 16,087                     | -                       | 16,087      |
| Other                           | 271,759                    | -                       | 271,759     |
| In-kind                         | 795,242                    | -                       | 795,242     |
| Net assets released from restrictions | 1,368,987                | (1,368,987)             | -           |
| Total revenue                   | 2,452,075                  | (1,368,987)             | 1,083,088   |
| Total public support and revenue| 17,718,592                 | 580,840                 | 18,299,432  |

| EXPENSES:                       |                            |                         |             |
| Program services -              |                            |                         |             |
| Ryan White Services             | 5,666,754                  | -                       | 5,666,754   |
| Housing Services                | 3,697,373                  | -                       | 3,697,373   |
| Community Impact                | 3,292,510                  | -                       | 3,292,510   |
| YouthBuild                      | 797,513                    | -                       | 797,513     |
| Allocations and Contract Payments| 1,308,080                   | -                       | 1,308,080   |
| Marketing and Communication     | 553,272                    | -                       | 553,272     |
| Total program services          | 15,315,502                 | -                       | 15,315,502  |

| Supporting and administrative services - |                            |                         |             |
| Resource development             | 1,330,891                  | -                       | 1,330,891   |
| Management and general           | 1,541,474                  | -                       | 1,541,474   |
| Total supporting and administrative services | 2,872,365                | -                       | 2,872,365   |
| Total expenses                   | 18,187,867                 | -                       | 18,187,867  |
| Change in net assets             | (469,275)                  | 580,840                 | 111,565     |

**NET ASSETS, BEGINNING OF YEAR**

<table>
<thead>
<tr>
<th></th>
<th>Without donor restrictions</th>
<th>With donor restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5,504,752</td>
<td>867,147</td>
<td>6,371,899</td>
</tr>
</tbody>
</table>

**NET ASSETS, END OF YEAR**

|                            | $ 5,035,477               | $ 1,447,987             | $ 6,483,464 |

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, 2018

**PUBLIC SUPPORT AND REVENUE:**

<table>
<thead>
<tr>
<th></th>
<th>Without donor restrictions</th>
<th>With donor restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Public support -</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long Island sources</td>
<td>$8,603,336</td>
<td>$11,900</td>
<td>$8,615,236</td>
</tr>
<tr>
<td>Government contracts</td>
<td>8,251,072</td>
<td>-</td>
<td>8,251,072</td>
</tr>
<tr>
<td>Superstorm Sandy relief</td>
<td>908,568</td>
<td>-</td>
<td>908,568</td>
</tr>
<tr>
<td><strong>Total funds raised</strong></td>
<td>17,762,976</td>
<td>11,900</td>
<td>17,774,876</td>
</tr>
<tr>
<td><strong>Amounts raised with donor designation</strong></td>
<td>(635,607)</td>
<td>-</td>
<td>(635,607)</td>
</tr>
<tr>
<td><strong>Total public support</strong></td>
<td>17,127,369</td>
<td>11,900</td>
<td>17,139,269</td>
</tr>
<tr>
<td><strong>Provision for estimated collection losses at the UWLI level</strong></td>
<td>(989,240)</td>
<td>-</td>
<td>(989,240)</td>
</tr>
<tr>
<td><strong>Total public support, net</strong></td>
<td>16,138,129</td>
<td>11,900</td>
<td>16,150,029</td>
</tr>
</tbody>
</table>

**Revenue -**

<table>
<thead>
<tr>
<th></th>
<th>With donor restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td>5,863</td>
<td>5,863</td>
</tr>
<tr>
<td>Other</td>
<td>1,097,492</td>
<td>1,097,492</td>
</tr>
<tr>
<td><strong>Net assets released from restrictions</strong></td>
<td>159,928</td>
<td>(159,928)</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>1,263,283</td>
<td>(159,928)</td>
</tr>
</tbody>
</table>

**Total public support and revenue**

<table>
<thead>
<tr>
<th></th>
<th>Without donor restrictions</th>
<th>With donor restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>17,401,412</td>
<td>(148,028)</td>
<td>17,253,384</td>
</tr>
</tbody>
</table>

**EXPENSES:**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Program services -</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ryan White Services</td>
<td>5,346,422</td>
<td>5,346,422</td>
</tr>
<tr>
<td>Housing Services</td>
<td>3,938,689</td>
<td>3,938,689</td>
</tr>
<tr>
<td>Community Impact</td>
<td>2,744,711</td>
<td>2,744,711</td>
</tr>
<tr>
<td>YouthBuild</td>
<td>859,915</td>
<td>859,915</td>
</tr>
<tr>
<td>Allocations and Contract Payments</td>
<td>1,509,669</td>
<td>-</td>
</tr>
<tr>
<td>Marketing and Communication</td>
<td>406,999</td>
<td>406,999</td>
</tr>
<tr>
<td><strong>Total program services</strong></td>
<td>14,806,405</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Supporting and administrative services -</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resource development</td>
<td>975,153</td>
<td>975,153</td>
</tr>
<tr>
<td>Management and general</td>
<td>1,228,007</td>
<td>1,228,007</td>
</tr>
<tr>
<td><strong>Total supporting and administrative services</strong></td>
<td>2,203,160</td>
<td>-</td>
</tr>
</tbody>
</table>

**Total expenses**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>17,009,565</td>
<td>-</td>
</tr>
</tbody>
</table>

**Change in net assets**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>391,847</td>
<td>(148,028)</td>
</tr>
</tbody>
</table>

**NET ASSETS, BEGINNING OF YEAR, AS RESTATED (SEE NOTE 14)**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5,112,905</td>
<td>1,015,175</td>
</tr>
</tbody>
</table>

**NET ASSETS, END OF YEAR**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$5,504,752</td>
<td>$867,147</td>
</tr>
</tbody>
</table>

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, 2019

<table>
<thead>
<tr>
<th>Grants, contracts, and awards</th>
<th>Program Services</th>
<th>Supporting and Administrative Services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ryan White Services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Housing Services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Community Impact</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>YouthBuild</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Allocations and Contract Payments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Marketing and Communications</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Resource Development</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Management and General</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Grants, contracts, and awards

<table>
<thead>
<tr>
<th>Community investments grants and awards</th>
<th>Program Services</th>
<th>Supporting and Administrative Services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Program Services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Supporting and Administrative Services</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Financial Details:**
- Grants, contracts, and awards
  - Community investments grants and awards:
    - Ryan White Services: $1,308,080
    - Housing Services: $1,308,080
  - Contract services and other grants:
    - Ryan White Services: 4,807,226
    - Housing Services: 2,682,266
    - Community Impact: 2,480,298
    - YouthBuild: 220,003
    - Marketing and Communications: 1,308,080
    - Management and General: 12,039,966
    - Total: 12,039,966

**Personnel**

<table>
<thead>
<tr>
<th>Salaries</th>
<th>Program Services</th>
<th>Supporting and Administrative Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>532,030</td>
<td></td>
<td></td>
</tr>
<tr>
<td>72,492</td>
<td></td>
<td></td>
</tr>
<tr>
<td>47,269</td>
<td></td>
<td></td>
</tr>
<tr>
<td>97,269</td>
<td></td>
<td></td>
</tr>
<tr>
<td>329,289</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total expenses:**
- Program Services: $1,308,080
- Supporting and Administrative Services: $1,308,080

---

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, 2018

<table>
<thead>
<tr>
<th>Program Services</th>
<th>Supporting and Administrative Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants, contracts, and awards</td>
<td></td>
</tr>
<tr>
<td>Community investments grants and awards</td>
<td></td>
</tr>
<tr>
<td>Contract services and other grants</td>
<td></td>
</tr>
<tr>
<td>Grants, contracts, and awards</td>
<td></td>
</tr>
<tr>
<td>Total grants, contracts, and awards</td>
<td></td>
</tr>
<tr>
<td>Personnel</td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td></td>
</tr>
<tr>
<td>Employees benefits and payroll taxes</td>
<td></td>
</tr>
<tr>
<td>Total personnel</td>
<td></td>
</tr>
<tr>
<td>Occupancy</td>
<td></td>
</tr>
<tr>
<td>Professional fees and insurance</td>
<td></td>
</tr>
<tr>
<td>Conference and travel</td>
<td></td>
</tr>
<tr>
<td>Equipment rental, maintenance, and supplies</td>
<td></td>
</tr>
<tr>
<td>Bank fees and interest</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td></td>
</tr>
<tr>
<td>Total expenses</td>
<td></td>
</tr>
</tbody>
</table>

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

-7-
## UNITED WAY OF LONG ISLAND
### STATEMENTS OF CASH FLOWS
#### FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

### CASH FLOWS FROM OPERATING ACTIVITIES:

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in net assets</td>
<td>$111,565</td>
<td>$243,819</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>$120,604</td>
<td>$154,715</td>
</tr>
<tr>
<td>Provision for collection loss, net of collections</td>
<td>$(254,730)</td>
<td>$(346,967)</td>
</tr>
<tr>
<td>Changes in assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase) decrease in pledges and other receivables</td>
<td>$(132,360)</td>
<td>$267,866</td>
</tr>
<tr>
<td>(Increase) decrease in prepaid expenses</td>
<td>$136,112</td>
<td>$(95,712)</td>
</tr>
<tr>
<td>Increase (decrease) in accounts payable and accrued expenses</td>
<td>$685,533</td>
<td>$(175,046)</td>
</tr>
<tr>
<td>Decrease in allocations payable to agencies</td>
<td>$(81,070)</td>
<td>$(123,426)</td>
</tr>
<tr>
<td>Increase in government advances</td>
<td>$2,776,026</td>
<td>-</td>
</tr>
<tr>
<td>Decrease in designations payable</td>
<td>$(62,092)</td>
<td>$(165,478)</td>
</tr>
<tr>
<td>Decrease in accrued benefit obligations</td>
<td>-</td>
<td>$(215,765)</td>
</tr>
<tr>
<td>Decrease in deferred revenue</td>
<td>$(498,650)</td>
<td>$(155,432)</td>
</tr>
<tr>
<td><strong>Net cash provided (used) by operating activities</strong></td>
<td>$2,800,938</td>
<td>$(611,426)</td>
</tr>
</tbody>
</table>

### CASH FLOWS FROM INVESTING ACTIVITIES:

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in restricted cash and cash equivalents</td>
<td>$(1,955,659)</td>
<td>$(101,900)</td>
</tr>
<tr>
<td>Purchase of fixed assets</td>
<td>$(20,784)</td>
<td>$(63,590)</td>
</tr>
<tr>
<td>Sale of investments</td>
<td>-</td>
<td>$224,060</td>
</tr>
<tr>
<td><strong>Net cash provided (used) by investing activities</strong></td>
<td>$(1,976,443)</td>
<td>$58,570</td>
</tr>
</tbody>
</table>

### CASH FLOWS FROM FINANCING ACTIVITIES:

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repayment of bond payable</td>
<td>$(100,992)</td>
<td>$(108,227)</td>
</tr>
<tr>
<td>Repayment of promissory note payable</td>
<td>$(3,666)</td>
<td>$(3,486)</td>
</tr>
<tr>
<td>Proceeds of construction loan</td>
<td>$250,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash provided (used) by financing activities</strong></td>
<td>$145,342</td>
<td>$(111,713)</td>
</tr>
</tbody>
</table>

### NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>969,837</td>
<td>$(664,569)</td>
<td></td>
</tr>
</tbody>
</table>

### CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,540,130</td>
<td>$2,204,899</td>
<td></td>
</tr>
</tbody>
</table>

### CASH AND CASH EQUIVALENTS, END OF YEAR

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,509,967</td>
<td>$1,540,130</td>
<td></td>
</tr>
</tbody>
</table>

### SUPPLEMENTAL DISCLOSURES:

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash paid for interest</td>
<td>$71,258</td>
<td>$75,099</td>
</tr>
<tr>
<td>Disposal of fully depreciated fixed assets</td>
<td>$947,236</td>
<td>-</td>
</tr>
</tbody>
</table>

The accompanying notes to financial statements
are an integral part of these statements.
UNITED WAY OF LONG ISLAND
NOTES TO FINANCIAL STATEMENTS

(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, 2019 and 2018.

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.

Revenue and expense recognition -

Revenues are generally recognized when earned and expenses are generally recognized when incurred.
Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at date of contribution.

**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, 2019 are allocated and designated amounts to other agencies of $1,052,425, amounts set aside for specific purposes or programs of $4,613,861 (including $2,701,026 of advances from Nassau County relating to the Ryan White grant) and unrestricted cash of $1,457,542.

**Investments -**

Investments are recorded at fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. UWLI follows U.S. generally accepted accounting principles regarding fair value measurements which established a fair value hierarchy requiring an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

Investment income is recorded when earned and considered available for unrestricted use unless otherwise restricted by the donor. Realized and unrealized gains and losses are determined on the basis of specific identification.

**Investment policy -**

UWLI's investment policy intends for UWLI to invest in assets that would produce results exceeding the investment's purchase price and incur a significant yield of return, while assuming a moderate level of investment risk. To satisfy the long-term rate of return objective, UWLI relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized gains) and current yield (interest and dividends), which are restricted for use by UWLI, its' member agencies, or any nonprofit organization designated by the donor, in accordance with the express purposes the donor deems desirable. UWLI targets a diversified asset allocation that places a greater emphasis on marketable equity and debt securities to achieve its long-term return objectives within prudent risk constraints.
**Pledges receivable**

Pledges receivable as of June 30, 2019 and 2018 are comprised of unconditional promises to give by donors. As of June 30, 2019, 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, 2019 and 2018, UWLI recognized an allowance for doubtful accounts of $734,510 and $989,240, 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, 2019 and 2018.

**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, 2019 and 2018, 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.

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 -

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.
Liquidity considerations -

Quantitative

As of June 30, 2019 and 2018, UWLI has $8,534,837 and $4,787,996 respectively, 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. To help manage unanticipated liquidity needs, UWLI has committed lines of credit in the amount of $500,000, which it could draw upon if needed.

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.

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 2015.

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 amounts have been reclassified for the year ended June 30, 2018 to conform to the presentation for the year ended June 30, 2019. These reclassifications had no impact on previously reported net assets.
(3) **New accounting standards**

For the fiscal year ended June 30, 2019, UWLI implemented FASB ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities*. UWLI has applied the changes retrospectively to all periods presented. The new standard changes the following aspects of the financial statements:

- The unrestricted net asset class has been renamed Net Assets Without Donor Restrictions;
- The temporarily and permanently restricted net asset classes have been combined into a single net asset class called Net Assets with Donor Restrictions; and
- The financial statements include a disclosure about liquidity and availability of resources.

(4) **Fair value measurements:**

The FASB *Fair Value Measurement* standard clarifies the definition of fair value for financial reporting, establishes framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable. UWLI has adopted this standard for its financial assets and liabilities measured on a recurring and nonrecurring basis.

**Investments**

*Fair Value Measurement* defines fair value as the amount that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants, i.e. an exit price. The three levels of fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reported entity has the ability to access at the measurement date.

- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

- Level 3 inputs are unobservable inputs for the asset or liability.

The following methods and assumptions were used by UWLI in addressing the fair value of financial instruments:

**Cash and cash equivalents**

The carrying amounts reported on the Statements of Financial Position for cash and cash equivalents approximate those assets' fair values.

**Money market and mutual funds**

Composed of funds invested in money market funds and mutual funds. The money market funds and mutual funds consist primarily of cash and cash equivalents, U.S. government stock, foreign stock and bonds. The fund seeks to maintain a stable net asset value ("NAV") of $1.
(5) **Fixed assets**

Fixed assets as of June 30, 2019 and 2018 are comprised of the following:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$373,761</td>
<td>$373,761</td>
</tr>
<tr>
<td>Buildings and improvements</td>
<td>4,273,540</td>
<td>4,228,086</td>
</tr>
<tr>
<td>Machinery, equipment, furniture and fixtures</td>
<td>104,297</td>
<td>1,076,203</td>
</tr>
<tr>
<td></td>
<td>4,751,598</td>
<td>5,678,050</td>
</tr>
<tr>
<td>Less: accumulated depreciation</td>
<td>1,949,438</td>
<td>2,776,070</td>
</tr>
<tr>
<td></td>
<td>$2,802,160</td>
<td>$2,901,980</td>
</tr>
</tbody>
</table>

Depreciation expense for the years ended June 30, 2019 and 2018 was $120,604 and $154,715, respectively.

(6) **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. This amount is expected to be paid back in full within the following year.

(7) **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. As of June 30, 2019, $1,897,897 was outstanding under the bond payable, net of deferred bond issuance costs of $94,150.

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. As of June 30, 2019, $65,716 was outstanding under this promissory note.
Long-term debt interest expense for 2019 and 2018 was comprised of the following:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond</td>
<td>$67,804</td>
<td>$71,645</td>
</tr>
<tr>
<td>Promissory note</td>
<td>3,454</td>
<td>3,454</td>
</tr>
<tr>
<td></td>
<td>71,258</td>
<td>75,099</td>
</tr>
<tr>
<td>Plus: amortization of issuance costs</td>
<td>18,830</td>
<td>18,830</td>
</tr>
<tr>
<td></td>
<td><strong>$90,088</strong></td>
<td><strong>$93,929</strong></td>
</tr>
</tbody>
</table>

Future maturities represent actual obligations of long-term debt and do not include the deferred bond issuance costs of $94,150 netted against long-term debt on the Statements of Financial Position. As of June 30, 2019, future maturities are estimated as follows:

<table>
<thead>
<tr>
<th>Year ending June 30</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$129,938</td>
</tr>
<tr>
<td>2021</td>
<td>136,721</td>
</tr>
<tr>
<td>2022</td>
<td>143,859</td>
</tr>
<tr>
<td>2023</td>
<td>151,370</td>
</tr>
<tr>
<td>2024</td>
<td>1,451,574</td>
</tr>
<tr>
<td>Thereafter</td>
<td>44,301</td>
</tr>
<tr>
<td>Less: issuance costs</td>
<td>(94,150)</td>
</tr>
<tr>
<td></td>
<td><strong>$1,963,613</strong></td>
</tr>
</tbody>
</table>

(8) **Line of credit**

During February 2010, UWLI contracted with a financial institution for a $500,000 line of credit. As of June 30, 2019, there are no borrowings outstanding. Borrowings under this arrangement bear interest at the bank’s prime rate (4.25% as of June 30, 2019) and are secured by substantially all of the assets of UWLI.

(9) **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, 2019 and 2018, related grants receivables were $34,144 and $829,172, respectively.

(10) **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 2019 and 2018 were $128,902 and $172,121, respectively.
(11) **Net assets**

Net assets as of June 30, 2019 and 2018 are comprised of the following:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Without donor restrictions -</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undesignated</td>
<td>$3,749,394</td>
<td>$4,334,726</td>
</tr>
<tr>
<td>Board designated -</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building fund</td>
<td>447,536</td>
<td>336,317</td>
</tr>
<tr>
<td>Fixed assets</td>
<td>838,547</td>
<td>833,709</td>
</tr>
<tr>
<td>Total without donor restrictions</td>
<td>5,035,477</td>
<td>5,504,752</td>
</tr>
<tr>
<td>With donor restrictions -</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Superstorm Sandy</td>
<td>254,936</td>
<td>-</td>
</tr>
<tr>
<td>Project Warmth</td>
<td>72,433</td>
<td>40,335</td>
</tr>
<tr>
<td>World Aids Day Consumer Fund</td>
<td>20,582</td>
<td>2,256</td>
</tr>
<tr>
<td>Anthony Stupore Fund</td>
<td>25,000</td>
<td>25,000</td>
</tr>
<tr>
<td>Schaufeld Family Fund</td>
<td>42,841</td>
<td>81,313</td>
</tr>
<tr>
<td>Jack Monahan Fund</td>
<td>4,180</td>
<td>4,180</td>
</tr>
<tr>
<td>Pat Michaels Fund</td>
<td>28,900</td>
<td>25,166</td>
</tr>
<tr>
<td>Walmart Hempstead YB TRNA</td>
<td>121,833</td>
<td>121,832</td>
</tr>
<tr>
<td>Other TRNA</td>
<td>297,500</td>
<td>-</td>
</tr>
<tr>
<td>Henry P. Pearson Memorial Fund</td>
<td>8,111</td>
<td>8,111</td>
</tr>
<tr>
<td>Mary Anna Meyer Fund</td>
<td>158,327</td>
<td>157,459</td>
</tr>
<tr>
<td>Byron Miller Fund</td>
<td>168,847</td>
<td>170,252</td>
</tr>
<tr>
<td>Cammy Belser Fund</td>
<td>114,404</td>
<td>106,782</td>
</tr>
<tr>
<td>David Schecter Fund</td>
<td>86,201</td>
<td>85,729</td>
</tr>
<tr>
<td>Eugene Portella Fund</td>
<td>18,500</td>
<td>18,500</td>
</tr>
<tr>
<td>Scott Martella Fund</td>
<td>25,392</td>
<td>20,232</td>
</tr>
<tr>
<td>Total with donor restrictions</td>
<td>1,447,987</td>
<td>867,147</td>
</tr>
<tr>
<td>Total net assets</td>
<td>$6,483,464</td>
<td>$6,371,899</td>
</tr>
</tbody>
</table>

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 UWL to retain as a fund of perpetual duration. There were no such deficiencies as of June 30, 2019.

UWL 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, UWL 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.

(12) Rental income

UWLI has signed four agreements to lease a portion of its office space. Future minimum rental income associated with these arrangements is as follows:

<table>
<thead>
<tr>
<th>Year ending June 30</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$ 211,122</td>
</tr>
<tr>
<td>2021</td>
<td>215,242</td>
</tr>
<tr>
<td>2022</td>
<td>67,295</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 493,659</strong></td>
</tr>
</tbody>
</table>

Rental income for years ended June 30, 2019 and 2018 was $256,109 and $237,009, respectively.

(13) 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. UWLI believes it is not exposed to any significant credit risk on cash.

(14) Prior period adjustment

Certain amounts received relating to grants and donations had been incorrectly reported as deferred revenues when they should have been recognized as income in the year received. These amounts have been corrected as of July 1, 2017. The restatement effects will be as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as of July 1, 2017, as previously stated</td>
<td>$ 5,357,550</td>
</tr>
<tr>
<td>Less: Change in recognition of restricted revenues incorrectly reported as</td>
<td></td>
</tr>
<tr>
<td>deferred revenues</td>
<td>770,530</td>
</tr>
<tr>
<td>Balance as of July 1, 2017, as restated</td>
<td>$ 6,128,080</td>
</tr>
</tbody>
</table>

(15) Subsequent events

UWLI has evaluated subsequent events through October 16, 2019, which is the date the financial statements were available to be issued. No subsequent events having a material effect on the financial statements were noted.