



**United Way of Long Island**

**UNITED WAY OF LONG ISLAND**

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

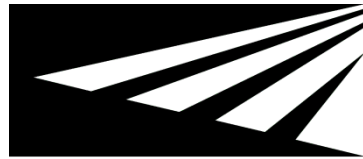
**AS OF AND FOR THE YEAR ENDED  
JUNE 30, 2024**

**UNITED WAY OF LONG ISLAND  
INDEX TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED  
JUNE 30, 2024**

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**NawrockiSmith**

CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT**

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

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

***Opinion***

We have audited the accompanying financial statements of the United Way of Long Island ("UWLI", a non-profit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the United Way of Long Island as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the UWLI's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

# NawrockiSmith

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the UWLI'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 UWLI's ability to continue as a going concern for a reasonable period of time.

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

## ***Adjustment in Accounting for Allowance for Pledges Receivable***

As discussed in Note 14 to the financial statements, management revised its approach in establishing an allowance for pledges receivable. Accordingly, amounts reported for pledges receivable and allowance for uncollectible pledges have been restated as of June 30, 2023. Our opinion is not modified with respect to this matter.

# NawrockiSmith

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated December 10, 2024 on our consideration of the 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 the UWLI's internal control over financial reporting and compliance.

Hauppauge, New York  
December 10, 2024

*Nawrocki Smith LLP*

**UNITED WAY OF LONG ISLAND  
STATEMENT OF FINANCIAL POSITION  
AS OF JUNE 30, 2024**

ASSETS

CURRENT ASSETS:

|                                                                                           |              |
|-------------------------------------------------------------------------------------------|--------------|
| Cash and cash equivalents:                                                                |              |
| Unrestricted                                                                              | \$ 2,554,485 |
| Restricted                                                                                | 4,765,745    |
|                                                                                           | 7,320,230    |
| Total cash and cash equivalents                                                           | 7,320,230    |
| Investments                                                                               | 127,089      |
| Pledges and other receivables, net of allowance for uncollectible<br>pledges of \$124,069 | 3,187,516    |
| Prepaid expenses                                                                          | 103,340      |
| Current portion of right-of-use assets - operating                                        | 19,204       |
|                                                                                           | 10,757,379   |
| Total current assets                                                                      | 10,757,379   |

NONCURRENT ASSETS:

|                                                                                  |               |
|----------------------------------------------------------------------------------|---------------|
| Fixed assets, net of accumulated depreciation and<br>amortization of \$2,562,754 | 3,576,061     |
| Property held for sale                                                           | 826,492       |
| Right-of-use assets, net - operating                                             | 28,034        |
|                                                                                  | \$ 15,187,966 |
| Total assets                                                                     | \$ 15,187,966 |

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

|                                                  |           |
|--------------------------------------------------|-----------|
| Current portion of mortgage payable              | \$ 70,571 |
| Current portion of lease liabilities - operating | 14,079    |
| Accounts payable and accrued expenses            | 1,229,348 |
| Government advances                              | 2,807,988 |
| Designations payable                             | 81,328    |
| Deferred revenue                                 | 355,992   |
|                                                  | 4,559,306 |
| Total current liabilities                        | 4,559,306 |

LONG-TERM LIABILITIES:

|                                                       |           |
|-------------------------------------------------------|-----------|
| Mortgage payable                                      | 2,207,245 |
| Lease liabilities, net of current portion - operating | 26,522    |
|                                                       | 2,233,767 |
| Total long-term liabilities                           | 2,233,767 |
| Total liabilities                                     | 6,793,073 |

NET ASSETS:

|                                             |               |
|---------------------------------------------|---------------|
| Net assets without donor restrictions:      |               |
| Undesignated                                | 1,902,124     |
| Board-designated                            | 1,727,024     |
|                                             | 3,629,148     |
| Total net assets without donor restrictions | 3,629,148     |
| Net assets with donor restrictions          | 4,765,745     |
|                                             | 8,394,893     |
| Total net assets                            | 8,394,893     |
| Total liabilities and net assets            | \$ 15,187,966 |

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, 2024**

|                                                                | Without donor<br>restrictions | With donor<br>restrictions | Total        |
|----------------------------------------------------------------|-------------------------------|----------------------------|--------------|
| <b>PUBLIC SUPPORT AND REVENUE:</b>                             |                               |                            |              |
| Public support -                                               |                               |                            |              |
| Long Island sources                                            | \$ 2,202,490                  | \$ 3,282,724               | \$ 5,485,214 |
| Government contracts                                           | 11,081,191                    | -                          | 11,081,191   |
| Special events                                                 | 1,043,152                     | -                          | 1,043,152    |
| Total funds raised                                             | 14,326,833                    | 3,282,724                  | 17,609,557   |
| Amounts raised with donor designation                          | (147,907)                     | -                          | (147,907)    |
| Total public support                                           | 14,178,926                    | 3,282,724                  | 17,461,650   |
| Provision for estimated collection losses at the<br>UWLI level | (124,069)                     | -                          | (124,069)    |
| Total public support, net                                      | 14,054,857                    | 3,282,724                  | 17,337,581   |
| Revenue -                                                      |                               |                            |              |
| Interest                                                       | 70,997                        | 17,888                     | 88,885       |
| Other                                                          | 342,559                       | 7,596                      | 350,155      |
| In-kind                                                        | 433,901                       | -                          | 433,901      |
| Net assets released from restrictions                          | 3,191,375                     | (3,191,375)                | -            |
| Total revenue                                                  | 4,038,832                     | (3,165,891)                | 872,941      |
| Total public support and revenue                               | 18,093,689                    | 116,833                    | 18,210,522   |
| <b>EXPENSES:</b>                                               |                               |                            |              |
| Program services -                                             |                               |                            |              |
| Ryan White Services                                            | 6,130,561                     | -                          | 6,130,561    |
| Housing Services                                               | 4,618,783                     | -                          | 4,618,783    |
| Community Impact                                               | 3,110,276                     | -                          | 3,110,276    |
| YouthBuild                                                     | 813,358                       | -                          | 813,358      |
| Allocations and Contract Payments                              | 761,844                       | -                          | 761,844      |
| Marketing and Communication                                    | 317,571                       | -                          | 317,571      |
| Total program services                                         | 15,752,393                    | -                          | 15,752,393   |
| Supporting and administrative services -                       |                               |                            |              |
| Resource development                                           | 751,752                       | -                          | 751,752      |
| Management and general                                         | 1,608,822                     | -                          | 1,608,822    |
| Total supporting and administrative services                   | 2,360,574                     | -                          | 2,360,574    |
| Total expenses                                                 | 18,112,967                    | -                          | 18,112,967   |
| Change in net assets                                           | (19,278)                      | 116,833                    | 97,555       |
| NET ASSETS, BEGINNING OF YEAR, AS RESTATED (NOTE 14)           | 3,648,426                     | 4,648,912                  | 8,297,338    |
| NET ASSETS, END OF YEAR                                        | \$ 3,629,148                  | \$ 4,765,745               | \$ 8,394,893 |

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, 2024**

|                                             | Program Services    |                  |                  |            |                                   |                              | Supporting and Administrative Services |                      |                        |              | Total Expenses |
|---------------------------------------------|---------------------|------------------|------------------|------------|-----------------------------------|------------------------------|----------------------------------------|----------------------|------------------------|--------------|----------------|
|                                             | Ryan White Services | Housing Services | Community Impact | YouthBuild | Allocations and Contract Payments | Marketing and Communications | Total                                  | Resource Development | Management and General | Total        |                |
| Grants, contracts, and awards               |                     |                  |                  |            |                                   |                              |                                        |                      |                        |              |                |
| Community investments grants and awards     | \$ -                | \$ -             | \$ -             | \$ -       | \$ 761,844                        | \$ -                         | \$ 761,844                             | \$ -                 | \$ -                   | \$ -         | \$ 761,844     |
| Contract services and other grants          | 5,242,804           | 3,823,355        | 2,109,294        | 201,947    | -                                 | 720                          | 11,378,120                             | -                    | -                      | -            | 11,378,120     |
| Total grants, contracts, and awards         | 5,242,804           | 3,823,355        | 2,109,294        | 201,947    | 761,844                           | 720                          | 12,139,964                             | -                    | -                      | -            | 12,139,964     |
| Personnel                                   |                     |                  |                  |            |                                   |                              |                                        |                      |                        |              |                |
| Salaries                                    | 543,201             | 431,179          | 575,213          | 278,170    | -                                 | 51,373                       | 1,879,136                              | 336,778              | 841,416                | 1,178,194    | 3,057,330      |
| Employee benefits and payroll taxes         | 152,407             | 86,384           | 152,729          | 82,948     | -                                 | 41,396                       | 515,864                                | 54,846               | 217,816                | 272,662      | 788,526        |
| Stipends                                    | -                   | -                | 19,854           | -          | -                                 | -                            | 19,854                                 | -                    | -                      | -            | 19,854         |
| Total personnel                             | 695,608             | 517,563          | 747,796          | 361,118    | -                                 | 92,769                       | 2,414,854                              | 391,624              | 1,059,232              | 1,450,856    | 3,865,710      |
| In-kind                                     | 49,123              | 36,842           | 108,458          | 49,124     | -                                 | 42,983                       | 286,530                                | 67,545               | 79,826                 | 147,371      | 433,901        |
| Occupancy                                   | 28,739              | 26,221           | 44,300           | 120,371    | -                                 | 10,362                       | 229,993                                | 18,530               | 41,546                 | 60,076       | 290,069        |
| Publicity and events                        | 358                 | 2,019            | 8,741            | 401        | -                                 | 18,878                       | 30,397                                 | 138,888              | 3,405                  | 142,293      | 172,690        |
| Professional fees and insurance             | 55,203              | 146,934          | 41,944           | 35,342     | -                                 | 124,200                      | 403,623                                | 100,547              | 201,504                | 302,051      | 705,674        |
| Bank fees and interest                      | -                   | 105              | -                | -          | -                                 | -                            | 105                                    | -                    | 133,286                | 133,286      | 133,391        |
| Conference and travel                       | 1,268               | 890              | 4,863            | 188        | -                                 | 149                          | 7,358                                  | 2,037                | 5,502                  | 7,539        | 14,897         |
| Equipment rental, maintenance, and supplies | 810                 | 4,444            | 1,029            | 1,263      | -                                 | 751                          | 8,297                                  | 493                  | 23,954                 | 24,447       | 32,744         |
| Information technology                      | 18,179              | 29,289           | 14,364           | 19,243     | -                                 | 4,258                        | 85,333                                 | 7,677                | 14,705                 | 22,382       | 107,715        |
| Other                                       | 5,452               | 8,214            | 4,769            | 4,061      | -                                 | 11,117                       | 33,613                                 | 5,624                | 7,801                  | 13,425       | 47,038         |
| Subtotal                                    | 6,097,544           | 4,595,876        | 3,085,558        | 793,058    | 761,844                           | 306,187                      | 15,640,067                             | 732,965              | 1,570,761              | 2,303,726    | 17,943,793     |
| Amortization                                | 1,751               | 1,000            | 875              | 521        | -                                 | 418                          | 4,565                                  | 1,543                | 2,001                  | 3,544        | 8,109          |
| Depreciation                                | 31,266              | 21,907           | 23,843           | 19,779     | -                                 | 10,966                       | 107,761                                | 17,244               | 36,060                 | 53,304       | 161,065        |
| Total expenses                              | \$ 6,130,561        | \$ 4,618,783     | \$ 3,110,276     | \$ 813,358 | \$ 761,844                        | \$ 317,571                   | \$ 15,752,393                          | \$ 751,752           | \$ 1,608,822           | \$ 2,360,574 | \$ 18,112,967  |

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



**UNITED WAY OF LONG ISLAND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2024**

|                                                                                                    |                            |
|----------------------------------------------------------------------------------------------------|----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES:                                                              |                            |
| Change in net assets                                                                               | \$ 97,555                  |
| Adjustments to reconcile change in net assets to net cash provided by operating activities:        |                            |
| Depreciation                                                                                       | 161,065                    |
| Amortization                                                                                       | 8,109                      |
| Provision for collection loss, net of collections                                                  | (220,851)                  |
| Net change in operating lease liabilities                                                          | 6,480                      |
| Changes in assets and liabilities:                                                                 |                            |
| Increase in pledges and other receivables                                                          | (249,732)                  |
| Decrease in prepaid expenses                                                                       | 12,905                     |
| Increase in accounts payable and accrued expenses                                                  | 90,695                     |
| Increase in government advances                                                                    | 966,404                    |
| Decrease in designations payable                                                                   | (50,454)                   |
| Decrease in deferred revenue                                                                       | <u>(436,459)</u>           |
| Net cash provided by operating activities                                                          | <u>385,717</u>             |
| CASH FLOWS FROM INVESTING ACTIVITIES:                                                              |                            |
| Purchase of investments                                                                            | (432,870)                  |
| Sale of investments                                                                                | 305,781                    |
| Additions to property held for sale                                                                | (213,261)                  |
| Purchase of fixed assets                                                                           | <u>(1,392,643)</u>         |
| Net cash used by investing activities                                                              | <u>(1,732,993)</u>         |
| CASH FLOWS FROM FINANCING ACTIVITIES:                                                              |                            |
| Principal payments on mortgage payable                                                             | <u>(68,252)</u>            |
| Net cash used by financing activities                                                              | <u>(68,252)</u>            |
| NET DECREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH                                         | (1,415,528)                |
| CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF YEAR                                      | <u>8,735,758</u>           |
| CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAR                                            | <u><u>\$ 7,320,230</u></u> |
| SUPPLEMENTAL DISCLOSURES:                                                                          |                            |
| Cash paid for interest                                                                             | <u><u>\$ 79,494</u></u>    |
| COMPONENTS OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH ON THE STATEMENTS OF FINANCIAL POSITION: |                            |
| Cash and cash equivalents                                                                          | \$ 2,554,485               |
| Restricted cash                                                                                    | <u>4,765,745</u>           |
| TOTAL CASH, CASH EQUIVALENTS, AND RESTRICTED CASH                                                  | <u><u>\$ 7,320,230</u></u> |

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

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

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**(1) Organization**

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

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

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

**Financial statement presentation -**

The accompanying financial statements include the accounts of UWLI’s programs, administration and fundraising. UWLI presents its financial statements in accordance with U.S. generally accepted accounting principles (“GAAP”) 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 GAAP, UWLI has also presented Statement of Cash Flows for the year ended June 30, 2024.

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

**Cash and cash equivalents -**

UWLI considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Included in cash and cash equivalents at June 30, 2024 are designated amounts to other agencies of \$81,328, amounts set aside for specific purposes or programs of \$4,765,745 and amounts available for general purposes of \$2,473,157.

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

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**Investments** -

Investments are stated at fair value for the periods presented. 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. The Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) on fair value measurements also establishes a fair value hierarchy, which requires 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).

**Pledges receivable** -

Pledges receivable as of June 30, 2024 are comprised of unconditional promises to give by donors. As of June 30, 2024, 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. During the year ended June 30, 2024, management performed a detailed review of outstanding pledges receivable balances. In conjunction with this review and the implementation of a new pledge database management system, management determined that there were pledges that should have been written off in a prior year. Furthermore, management determined that prospectively, only current and prior year campaign years would be considered collectible and developed a revised allowance methodology that will be adjusted, as needed, annually. As of June 30, 2024, UWLI recognized an allowance for doubtful accounts of \$124,069.

**Liquidity considerations** -

Quantitative -

As of June 30, 2024, UWLI has \$5,869,090 of financial assets available to meet cash needs for program and supporting services expenditures within one year of the Statement of Financial Position date.

Qualitative -

As a part of UWLI’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. UWLI has a goal to maintain financial assets, which consist of cash and cash equivalents, on hand to meet 60 days of normal operating expenses, which are, on average, approximately \$2,900,000.

**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.

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

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**Property held for sale -**

Property acquired and/or donated for rehabilitation and held for sale is valued at the lower of cost or fair value at the date of donation. The net carrying amount of property held for sale is presented within the noncurrent asset section of the Statement of Financial Position.

**Right-of-use assets and lease liabilities -**

UWLI complies with the provisions of FASB Accounting Standards Update (“ASU”) No. 2016-02, *Leases* (“Topic 842”). Any leases entered into during the year were required to be recognized and measured. In applying Topic 842, UWLI made an accounting policy election not to recognize the right-of-use assets and lease liabilities relating to short-term leases.

UWLI determines if an arrangement is or contains a lease at inception. UWLI’s operating lease arrangements are comprised of equipment and vehicle leases. Right-of-use assets represent UWLI’s right to use the underlying assets for the lease terms and lease liabilities represent UWLI’s obligation to make lease payments arising from the leases. Right-of-use assets and lease liabilities are recognized at the commencement date based on the present value of the lease payments over the lease terms. As UWLI’s leases do not provide an implicit rate and the implicit rate is not readily determinable, UWLI estimates its incremental borrowing rate based on the information available at the commencement date in determining the present value of the lease payments.

UWLI reconciles the operating lease expenses with the operating lease payments by presenting the amortization of the right-of-use assets and the change in the lease liabilities in a single line item within the adjustments to reconcile change in net assets to net cash provided by operating activities in the accompanying Statement of Cash Flows.

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

UWLI follows the provisions of the FASB 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.

**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, 2024, UWLI has met the provisions of and is in compliance with these requirements and no obligation currently exists.

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

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**Allocations payable to agencies -**

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

**Designations payable -**

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

**Accrued paid time off -**

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

**Revenue recognition -**

The Organization complies with and accounts for its revenues in accordance with FASB ASC 958, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* and ASC 606, *Revenue from Contracts with Customers*.

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

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

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

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

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

**In-kind donated nonfinancial assets** -

In accordance with FASB ASU No. 2020-07, *Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets* ("Topic 958") in-kind donated land, buildings, equipment and other noncash donations are recorded as in-kind at their fair market value at their date of donation. UWLI reports the in-kind donations as unrestricted support, unless explicit donor stipulations specify how the in-kind 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. See Note 10 for more information.

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

**Functional expenses** -

Expenses are recognized when incurred. The Statement 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, amortization and rent are allocated on the basis of square footage and use, and all other expenses are allocated on a systematic and rational basis.

**Income taxes** -

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

**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 2021.

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

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

The preparation of financial statements in conformity with GAAP 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 pledges and other receivables valuation allowances, depreciation, amortization and certain accrued expenses. Actual results may differ from those estimates.

**(3) Fair value measurement**

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 the standard for its financial assets and liabilities measured on a recurring and nonrecurring basis.

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 in 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 the Organization in addressing the fair value of financial instruments:

**Fixed income -**

Investments fluctuate in value in response to changes in interest rates and credit risk.

The following table represents UWLI's fair value hierarchy for investments as of June 30, 2024:

|              | <u>Fair value</u> | <u>Level 1</u>    | <u>Level 2</u> | <u>Level 3</u> |
|--------------|-------------------|-------------------|----------------|----------------|
| Fixed income | <u>\$ 127,089</u> | <u>\$ 127,089</u> | <u>\$ -</u>    | <u>\$ -</u>    |

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

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**(4) Fixed assets**

Fixed assets as of June 30, 2024 are comprised of the following:

|                                              |                     |
|----------------------------------------------|---------------------|
| Land                                         | \$ 373,761          |
| Buildings and improvements                   | 5,615,126           |
| Machinery, equipment, furniture and fixtures | <u>149,928</u>      |
|                                              | 6,138,815           |
| Less: accumulated depreciation               | <u>2,562,754</u>    |
|                                              | <u>\$ 3,576,061</u> |

Depreciation expense for the year ended June 30, 2024 was \$161,065.

**(5) Property held for sale**

As of June 30, 2024, UWLI held properties for sale with values of \$826,492. These properties consist of two (2) properties donated by The Suffolk County Landbank Corporation, at the addresses of 54 Adams Road, Central Islip, NY and 95 Jamaica Avenue, Wyandanch, NY during fiscal year ended June 30, 2022. The bargain sales agreements were agreed upon under the conditions that UWLI would renovate both properties and UWLI would sell the renovated properties in accordance with certain affordable housing conditions. On the date of donation, the two properties were valued at \$616,500 based on the sales agreements however UWLI deemed them to be overvalued as both properties must be demolished and rebuilt. FASB ASC 360, *Property, Plant and Equipment*, states that these properties should be valued at fair value as of the date of donation. Based on information obtained by UWLI, one property was reduced by \$235,089 during the year ended June 30, 2022 and was further reduced by \$65,019 during the year ended June 30, 2024. In connection with obtaining the properties, during the year ended June 30, 2022, UWLI incurred costs totaling \$13,988 for the two properties. During the year ended June 30, 2024, UWLI spent \$278,280 on additional renovations which increased the value of these properties.

**(6) Leases**

UWLI is obligated under various operating leases for equipment and vehicles expiring through 2028. UWLI evaluated current contracts to determine which met the criteria of a lease. The right-of-use ("ROU") assets represent UWLI's right to use underlying assets for the lease term, and the lease liabilities represent UWLI's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. UWLI has made an accounting policy election to use its incremental borrowing rate to discount future lease payments. The weighted average incremental borrowing rate applied to calculate lease liabilities was 4.35%.

As of June 30, 2024, the weighted average remaining lease term for UWLI's operating leases was approximately 2.84 years. Cash paid for the operating leases for the year ended June 30, 2024 was \$17,040. There were no noncash investing and financing transactions related to leasing during the year ended June 30, 2024.



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

Future maturities of operating lease liabilities are presented in the following table, for the fiscal years ending June 30:

| For the Fiscal Year<br>Ending June 30, |           |
|----------------------------------------|-----------|
| 2025                                   | \$ 17,040 |
| 2026                                   | 13,948    |
| 2027                                   | 7,764     |
| 2028                                   | 6,700     |
| Total                                  | 45,452    |
| Less: discount to present value        | (4,851)   |
| Total lease liabilities                | \$ 40,601 |

**(7) Long-term debt**

On December 16, 2021, UWLI entered into a mortgage agreement with a bank for \$2,500,000. The mortgage is payable over 10 years with an initial maturity date of January 2032, but the mortgage allows for an extension through January 2047, if certain terms are met. The current interest rate is 3.30% per annum through January 2032, and subsequently, the interest rate will be the greater of 3.30% per annum or 1.75% basis points in excess of the U.S. treasury rate through January 2047. At no time can the interest rate be less than 3.30% per annum. The monthly payment of principal and interest is \$12,312. As of June 30, 2024, the balance of the mortgage payable was \$2,277,816.

Long-term debt interest expense for 2024 was comprised of the following:

|                                      |           |
|--------------------------------------|-----------|
| Mortgage                             | \$ 79,494 |
| Plus: amortization of issuance costs | 8,109     |
|                                      | \$ 87,603 |

Future maturities represent actual obligations of long-term debt and do not include the deferred bond issuance costs of \$60,814 netted against long-term debt on the Statement of Financial Position. As of June 30, 2024, future maturities are estimated as follows:

| Year ending June 30, |              |
|----------------------|--------------|
| 2025                 | \$ 70,571    |
| 2026                 | 72,969       |
| 2027                 | 75,448       |
| 2028                 | 77,820       |
| 2029                 | 80,655       |
| Thereafter           | 1,961,167    |
|                      | 2,338,630    |
| Less: issuance costs | (60,814)     |
|                      | \$ 2,277,816 |

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

**(8) Net assets**

Net assets as of June 30, 2024 are comprised of the following:

|                                                 |                     |
|-------------------------------------------------|---------------------|
| Without donor restrictions -                    |                     |
| Undesignated                                    | \$ 1,902,124        |
| Board designated -                              |                     |
| Building fund                                   | 428,779             |
| Fixed assets                                    | <u>1,298,245</u>    |
| Total without donor restrictions                | <u>3,629,148</u>    |
| With donor restrictions -                       |                     |
| YouthBuild General Fund                         | 1,268,310           |
| Bank of America - Workforce Dev. Solar Program  | 484,141             |
| VetsBuild                                       | 405,456             |
| Everyone Rides Nice, Inc.                       | 236,702             |
| Dreams for Youth                                | 223,456             |
| Siemer Institute Family Success Initiative      | 206,530             |
| Education and Scholarships                      | 197,563             |
| Missions United                                 | 181,328             |
| Ruth D. and Byron T. Miller Memorial Fund       | 177,197             |
| Schaufeld Family Fund                           | 153,883             |
| Cammy Belser Memorial Scholarship Fund          | 125,584             |
| You Call the Shots                              | 113,988             |
| Grace Scholarship Endowment Fund                | 100,000             |
| David Schector Fund - YouthBuild                | 86,407              |
| Safe at Home General                            | 84,544              |
| Income Stability                                | 62,585              |
| Weinberg Foundation Safe at Home Mod Program    | 49,370              |
| Frank L. Regnante Memorial Fund                 | 46,440              |
| Nestle Health Science                           | 45,544              |
| Stuff-A-Bus                                     | 42,975              |
| Chin Ying Youth Scholarship Fund                | 42,525              |
| Project Warmth                                  | 39,855              |
| COVID 19 Vaccine Program                        | 39,450              |
| Anthony Stupore Memorial Scholarship Fund       | 39,010              |
| The Robert B. Read Memorial Fund                | 34,337              |
| Bank of America Summer Youth Employment Program | 31,669              |
| Pat Michaels Memorial Scholarship Fund          | 30,765              |
| Thomas F. Cruso Memorial Fund                   | 30,000              |
| Scott Martella Fund                             | 28,444              |
| Homeless Prevention                             | 25,000              |
| Eugene Portella Fund                            | 24,461              |
| Access to Healthcare                            | 20,203              |
| United Together Response COVID Fund             | 18,859              |
| UWW LYFT Program                                | 17,144              |
| Sandy Relief                                    | 16,000              |
| World Aids Day Consumer Fund                    | 15,964              |
| Lorraine Aycock Fund                            | 13,000              |
| Sal LaFonte Fund                                | 6,400               |
| Disaster Relief                                 | <u>656</u>          |
| Total with donor restrictions                   | <u>4,765,745</u>    |
| Total net assets                                | <u>\$ 8,394,893</u> |

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

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From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or applicable law requires UWLI to retain as a fund of perpetual duration. There were no such deficiencies as of June 30, 2024.

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

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

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

**(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, 2024, related grants receivables were \$1,192,867.

**(10) In-kind donations**

In-kind donations as of June 30, 2024 are comprised of the following:

|                              |                   |
|------------------------------|-------------------|
| Supplies                     | \$ 191,431        |
| Marketing and communications | 137,632           |
| Services                     | 79,689            |
| Food                         | <u>25,149</u>     |
|                              | <u>\$ 433,901</u> |

UWLI recognized in-kind donations within revenue. Unless otherwise noted, in-kind donations did not have donor-imposed restrictions.

In-kind donated marketing and communications comprise of marketing services, marketing products and advertising space for UWLI programs.

In-kind donated services comprise of professional services including attorneys and accountants for various administrative matters and services provided for the Youthbuild program and training.

In-kind donated supplies and food were utilized in community impact services.

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

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**(11) 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 2024 were \$142,180.

**(12) Rental income**

UWLI has signed four agreements to lease a portion of its office space. Future minimum rental income associated with these arrangements in the subsequent year will be approximately \$300,000. Rental income for the year ended June 30, 2024 was \$311,277.

**(13) Commitments and contingencies:**

**Concentrations of credit risk -**

UWLI maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. UWLI has not experienced any losses in such accounts. As of June 30, 2024, cash in excess of federally insured limits amounted to \$5,432,636.

**Litigation -**

UWLI is involved in a lawsuit arising from the normal conduct of business. This lawsuit may seek damages which may be in excess of UWLI's insurance coverage. However, it is not possible to determine UWLI's potential exposure at this time.

**(14) Prior period adjustment**

During the year ended June 30, 2024, management performed a detailed review of outstanding pledges receivable balances. In conjunction with this review and the implementation of a new pledge database management system, management determined that there were pledges that should have been written off in a prior year. Furthermore, management determined that prospectively, only current and prior year campaign years would be considered collectible and developed a revised allowance methodology that will be adjusted, as needed, annually. As a result, the net assets of UWLI as of July 1, 2023 have been restated by \$294,273.

The restatement effect was as follows:

|                                                                                |                     |
|--------------------------------------------------------------------------------|---------------------|
| Net Assets Without Restrictions as of June 30, 2023, as previously stated      | \$ 3,942,699        |
| Less: Change in pledges receivable, net of allowance for uncollectible pledges | <u>(294,273)</u>    |
| Net Assets Without Restrictions as of June 30, 2023, as restated               | <u>\$ 3,648,426</u> |

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

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**(15) Subsequent events**

UWLI has evaluated subsequent events through December 10, 2024, which is the date the financial statements were available to be issued. Based on this evaluation, UWLI has noted the following matter which requires disclosure in the financial statements:

UWLI was granted an Employee Retention Tax Credit (ERTC) for the years ended June 30, 2020 and 2021, under the Coronavirus Aid, Relief, and Economic Sanctions (CARES) Act, in the amount of \$218,265. The ERTC is a refundable credit that businesses can claim on qualified wages, including certain health insurance costs, paid to employees. UWLI received \$202,443 of such amount subsequent to June 30, 2024 and as a result, such amount will be recorded during the year ending June 30, 2025.