

**United Way of Long Island**

**UNITED WAY OF LONG ISLAND**

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

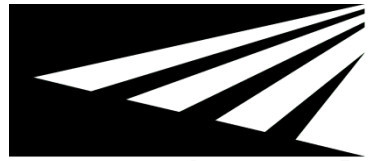
**AS OF AND FOR THE YEARS ENDED  
JUNE 30, 2021 AND 2020**

**UNITED WAY OF LONG ISLAND  
INDEX TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEARS ENDED  
JUNE 30, 2021 AND 2020**

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**NawrockiSmith**

CERTIFIED PUBLIC ACCOUNTANTS

**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", a non-profit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, 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. 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.

# NawrockiSmith

## *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, 2021 and 2020, 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.

Hauppauge, New York  
November 4, 2021

*Nawrocki Smith LLP*

**UNITED WAY OF LONG ISLAND  
STATEMENTS OF FINANCIAL POSITION  
AS OF JUNE 30, 2021 AND 2020**

	2021	2020
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents:		
Unrestricted	\$ 2,594,927	\$ 3,182,451
Restricted	6,696,848	2,424,000
Total cash and cash equivalents	9,291,775	5,606,451
Pledges and other receivables, net of allowance for uncollectible pledges of \$670,454 and \$614,985, respectively	2,273,960	3,193,258
Prepaid expenses	47,783	32,808
Total current assets	11,613,518	8,832,517
FIXED ASSETS, net of accumulated depreciation and amortization of \$2,183,597 and \$2,062,276, respectively		
	2,600,058	2,702,009
Total assets	\$ 14,213,576	\$ 11,534,526
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Current portion of bond payable	\$ 139,587	\$ 132,661
Current portion of promissory note payable	4,272	4,060
Construction loan payable	250,000	250,000
Accounts payable and accrued expenses	490,708	489,428
Allocations payable to agencies	355,125	629,185
Government advances	3,534,588	1,209,099
Designations payable	336,802	496,727
Deferred revenue	376,050	-
Total current liabilities	5,487,132	3,211,160
LONG-TERM LIABILITIES:		
Bond payable	1,537,230	1,657,987
Promissory note payable	53,525	57,797
Total long-term liabilities	1,590,755	1,715,784
Total liabilities	7,077,887	4,926,944
NET ASSETS:		
Net assets without donor restrictions:		
Undesignated	2,717,818	2,849,083
Board-designated	1,312,980	1,297,040
Total net assets without donor restrictions	4,030,798	4,146,123
Net assets with donor restrictions	3,104,891	2,461,459
Total net assets	7,135,689	6,607,582
Total liabilities and net assets	\$ 14,213,576	\$ 11,534,526

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, 2021**

	Without donor restrictions	With donor restrictions	Total
<b>PUBLIC SUPPORT AND REVENUE:</b>			
Public support -			
Long Island sources	\$ 2,873,873	\$ 3,309,261	\$ 6,183,134
Government contracts	9,313,081	-	9,313,081
Special events	117,215	-	117,215
Total funds raised	12,304,169	3,309,261	15,613,430
Amounts raised with donor designation	(342,879)	-	(342,879)
Total public support	11,961,290	3,309,261	15,270,551
Provision for estimated collection losses at the UWLI level	(573,995)	-	(573,995)
Total public support, net	11,387,295	3,309,261	14,696,556
Revenue -			
Interest	2,989	2,487	5,476
Other	306,525	-	306,525
In-kind	435,885	-	435,885
Net assets released from restrictions	2,668,316	(2,668,316)	-
Total revenue	3,413,715	(2,665,829)	747,886
Total public support and revenue	14,801,010	643,432	15,444,442
<b>EXPENSES:</b>			
Program services -			
Ryan White Services	5,576,237	-	5,576,237
Housing Services	1,182,338	-	1,182,338
Community Impact	3,832,563	-	3,832,563
YouthBuild	1,011,799	-	1,011,799
Allocations and Contract Payments	862,371	-	862,371
Marketing and Communication	382,533	-	382,533
Total program services	12,847,841	-	12,847,841
Supporting and administrative services -			
Resource development	576,607	-	576,607
Management and general	1,491,887	-	1,491,887
Total supporting and administrative services	2,068,494	-	2,068,494
Total expenses	14,916,335	-	14,916,335
Change in net assets	(115,325)	643,432	528,107
NET ASSETS, BEGINNING OF YEAR	4,146,123	2,461,459	6,607,582
NET ASSETS, END OF YEAR	\$ 4,030,798	\$ 3,104,891	\$ 7,135,689

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, 2020**

	Without donor restrictions	With donor restrictions	Total
<b>PUBLIC SUPPORT AND REVENUE:</b>			
Public support -			
Long Island sources	\$ 3,836,924	\$ 1,679,496	\$ 5,516,420
Government contracts	9,894,083	-	9,894,083
Special events	794,828	1,668	796,496
COVID projects	-	1,384,207	1,384,207
Superstorm Sandy relief	-	49,950	49,950
Total funds raised	14,525,835	3,115,321	17,641,156
Amounts raised with donor designation	(496,727)	-	(496,727)
Total public support	14,029,108	3,115,321	17,144,429
Provision for estimated collection losses at the UWLI level	(451,608)	-	(451,608)
Total public support, net	13,577,500	3,115,321	16,692,821
Revenue -			
Interest	19,936	6,723	26,659
Other	408,615	10,933	419,548
In-kind	525,000	-	525,000
Net assets released from restrictions	2,119,505	(2,119,505)	-
Total revenue	3,073,056	(2,101,849)	971,207
Total public support and revenue	16,650,556	1,013,472	17,664,028
<b>EXPENSES:</b>			
Program services -			
Ryan White Services	5,667,294	-	5,667,294
Housing Services	3,511,746	-	3,511,746
Community Impact	3,247,999	-	3,247,999
YouthBuild	875,017	-	875,017
Allocations and Contract Payments	1,239,582	-	1,239,582
Marketing and Communication	463,865	-	463,865
Total program services	15,005,503	-	15,005,503
Supporting and administrative services -			
Resource development	888,747	-	888,747
Management and general	1,645,660	-	1,645,660
Total supporting and administrative services	2,534,407	-	2,534,407
Total expenses	17,539,910	-	17,539,910
Change in net assets	(889,354)	1,013,472	124,118
NET ASSETS, BEGINNING OF YEAR	5,035,477	1,447,987	6,483,464
NET ASSETS, END OF YEAR	\$ 4,146,123	\$ 2,461,459	\$ 6,607,582

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

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

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

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



**UNITED WAY OF LONG ISLAND  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2020**

	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	\$ -	\$ -	\$ -	\$ -	\$ 1,239,582	\$ -	\$ 1,239,582	\$ -	\$ -	\$ -	\$ 1,239,582
Contract services and other grants	4,762,056	2,977,984	2,552,800	244,719	-	457	10,538,016	-	-	-	10,538,016
Total grants, contracts, and awards	4,762,056	2,977,984	2,552,800	244,719	1,239,582	457	11,777,598	-	-	-	11,777,598
Personnel											
Salaries	569,094	297,512	342,662	373,727	-	267,778	1,850,773	417,288	778,748	1,196,036	3,046,809
Employee benefits and payroll taxes	162,891	102,259	107,235	36,123	-	67,527	476,035	148,090	209,514	357,604	833,639
Stipends	-	-	56,768	-	-	-	56,768	-	-	-	56,768
Total personnel	731,985	399,771	506,665	409,850	-	335,305	2,383,576	565,378	988,262	1,553,640	3,937,216
Occupancy	20,290	14,118	29,338	60,791	-	10,294	134,831	21,343	31,103	52,446	187,277
Publicity and events	1,101	3,716	4,445	717	-	12,476	22,455	64,106	5,035	69,141	91,596
Professional fees and insurance	49,693	27,995	34,316	53,317	-	24,004	189,325	60,932	313,500	374,432	563,757
Conference and travel	-	943	102	33	-	1,036	2,114	4,808	7,970	12,778	14,892
Equipment rental, maintenance, and supplies	12,237	3,956	2,761	5,917	-	2,517	27,388	6,213	9,066	15,279	42,667
Bank fees and interest	-	-	-	-	-	-	-	5,028	98,560	103,588	103,588
In-kind	70,000	52,500	61,250	70,000	-	61,250	315,000	96,250	113,750	210,000	525,000
Other	2,026	17,035	43,788	2,814	-	5,782	71,445	37,830	43,796	81,626	153,071
Subtotal	5,649,388	3,498,018	3,235,465	848,158	1,239,582	453,121	14,923,732	861,888	1,611,042	2,472,930	17,396,662
Depreciation and amortization	17,906	13,728	12,534	26,859	-	10,744	81,771	26,859	34,618	61,477	143,248
Total expenses	\$ 5,667,294	\$ 3,511,746	\$ 3,247,999	\$ 875,017	\$ 1,239,582	\$ 463,865	\$ 15,005,503	\$ 888,747	\$ 1,645,660	\$ 2,534,407	\$ 17,539,910

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

**UNITED WAY OF LONG ISLAND  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 528,107	\$ 124,118
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	140,152	143,248
Provision for collection gain (loss), net of collections	55,469	(119,525)
Changes in assets and liabilities:		
Decrease in pledges and other receivables	863,829	396,004
Increase in prepaid expenses	(14,975)	(3,701)
Increase (decrease) in accounts payable and accrued expenses	1,280	(409,876)
Increase (decrease) in allocations payable to agencies	(274,060)	20,909
Increase (decrease) in government advances	2,325,489	(1,566,927)
Increase (decrease) in designations payable	(159,925)	52,578
Increase in deferred revenue	376,050	-
Net cash provided (used) by operating activities	3,841,416	(1,363,172)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets	(38,201)	(43,097)
Net cash used by investing activities	(38,201)	(43,097)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of bond payable	(113,831)	(107,249)
Repayment of promissory note payable	(4,060)	(3,859)
Net cash used by financing activities	(117,891)	(111,108)
<b>NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	3,685,324	(1,517,377)
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF YEAR</b>	5,606,451	7,123,828
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAR</b>	\$ 9,291,775	\$ 5,606,451
<b>SUPPLEMENTAL DISCLOSURES:</b>		
Cash paid for interest	\$ 62,571	\$ 67,197
Disposal of fully depreciated fixed assets	\$ 18,831	\$ 30,410
<b>COMPONENTS OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH ON THE STATEMENTS OF FINANCIAL POSITION:</b>		
Cash and cash equivalents	\$ 2,594,927	\$ 3,182,451
Restricted cash	6,696,848	2,424,000
<b>TOTAL CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b>	\$ 9,291,775	\$ 5,606,451

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

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

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**(1) Organization:**

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

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

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

**Financial statement presentation -**

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

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

With donor restrictions - net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

As required by U.S. generally accepted accounting principles, UWLI has also presented Statements of Cash Flows for the years ended June 30, 2021 and 2020.

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

**Cash and cash equivalents -**

UWLI considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Included in cash and cash equivalents at June 30, 2021 are allocated and designated amounts to other agencies of \$691,927, amounts set aside for specific purposes or programs of \$6,696,848 (including \$2,669,194 of advances from Nassau County relating to the Ryan White grant) and unrestricted cash of \$1,903,000.

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

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**Liquidity considerations -**

Quantitative -

As of June 30, 2021, UWLI has \$4,916,670 of financial assets available to meet cash needs for program and supporting services expenditures within one year of the Statements of Financial Position date, as noted in the current assets section of the statement. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for expenditures within one year of the Statement of Financial Position date.

Qualitative -

As a part of UWLI's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. UWLI has a goal to maintain financial assets, which consist of cash and cash equivalents, on hand to meet 60 days of normal operating expenses, which are, on average, approximately \$2,400,000.

**Pledges receivable -**

Pledges receivable as of June 30, 2021 and 2020 are comprised of unconditional promises to give by donors. As of June 30, 2021, 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, 2021 and 2020, UWLI recognized an allowance for doubtful accounts of \$670,454 and \$614,985, 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, 2021 and 2020.

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

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**Conditional asset retirement obligations -**

The FASB ASC on accounting for conditional asset retirement obligations requires entities to recognize a liability for the fair value of a legal obligation to perform an asset retirement activity, even though uncertainty exists about the timing and/or method of settlement, if and when the fair value of the liability can be reasonably estimated. As of June 30, 2021 and 2020, UWLI has met the provisions of and is in compliance with these requirements and no obligation currently exists.

**Allocations payable to agencies -**

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

**Designations payable -**

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

**Accrued paid time off -**

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

**Revenue recognition -**

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

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

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

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

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

**Donated materials and services -**

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

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

**Functional expenses -**

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

**Income taxes -**

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

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

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**Uncertainty in income taxes -**

UWLI recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management has determined that UWLI had no uncertain tax positions that would require financial statement recognition. UWLI is no longer subject to examination by the applicable taxing jurisdictions for tax years prior to 2018.

**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.

**(3) Fixed assets:**

Fixed assets as of June 30, 2021 and 2020 are comprised of the following:

	<u>2021</u>	<u>2020</u>
Land	\$ 373,761	\$ 373,761
Buildings and improvements	4,273,540	4,273,540
Machinery, equipment, furniture and fixtures	122,366	116,984
Construction in progress	<u>13,988</u>	<u>-</u>
	4,783,655	4,764,285
Less: accumulated depreciation	<u>2,183,597</u>	<u>2,062,276</u>
	<u>\$ 2,600,058</u>	<u>\$ 2,702,009</u>

Depreciation expense for the years ended June 30, 2021 and 2020 was \$140,152 and \$143,248, respectively.

**(4) Construction loan payable:**

In June 2019, UWLI received funds from Island Outreach Foundation in the amount of \$250,000. This money is to be used to solely finance construction and related costs associated with redevelopment of foreclosed properties in Suffolk County in connection with the Suffolk County Land Bank. Island Outreach Foundation has extended the due date of this loan to May 31, 2023.

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

**(5) Long-term debt:**

In July 2006, UWLI acquired an Industrial Development Bond (the "Bond") in the amount of \$3,270,000. The Bond was collateralized by UWLI's land and building. The Bond was payable in monthly installments of \$19,307 through June 2016, including principal and interest at 5.1% per annum. In October 2014, UWLI re-financed the Industrial Development Bond, effective July 1, 2016 in the amount of \$2,333,973. The Bond will be payable in monthly installments through July 1, 2024 (when a balloon payment or refinancing is necessary), including principal and interest at 3.25% per annum. As of June 30, 2021, \$1,676,817 was outstanding under the bond payable, net of deferred bond issuance costs of \$56,490.

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, 2021, \$57,797 was outstanding under this promissory note.

Long-term debt interest expense for 2021 and 2020 was comprised of the following:

	2021	2020
Bond	\$ 59,510	\$ 63,935
Promissory note	3,061	3,262
	62,571	67,197
Plus: amortization of issuance costs	18,830	18,830
	\$ 81,401	\$ 86,027

Future maturities represent actual obligations of long-term debt and do not include the deferred bond issuance costs of \$56,490 netted against long-term debt on the Statements of Financial Position. As of June 30, 2021, future maturities are estimated as follows:

Year ending June 30,		
2022	\$	143,859
2023		151,370
2024		1,451,574
2025		4,977
2026		5,236
Thereafter		34,088
		1,791,104
Less: issuance costs		(56,490)
		\$ 1,734,614



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

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**(6) Line of credit:**

During February 2010, UWLI contracted with a financial institution for a \$500,000 line of credit. In December 2020, this line of credit with the financial institution was terminated. UWLI is working with another financial institution to establish a new line of credit, which has not been finalized as of year end. See Note 13 for more details.

**(7) Paycheck Protection Program:**

On May 1, 2020, UWLI was granted a loan from a bank in the amount of \$613,749, pursuant to the Paycheck Protection Program (the "PPP") under the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), which was enacted on March 27, 2020. The loan and accrued interest are forgivable after periods of eight weeks or twenty-four weeks as long as the borrower uses the proceeds for eligible purposes including payroll, benefits, rent and utilities and maintains its payroll levels. In accordance with generally accepted accounting principles, UWLI has opted to account for its PPP loan as an in-substance conditional government grant, which should be recognized in income when all conditions or measurable barriers have been substantially met. UWLI met all conditions and barriers during the fiscal year ending June 30, 2021 and has received forgiveness in full. Accordingly, the PPP funds have been reflected as government contracts income in the Statement of Activities and Changes in Net Assets as of June 30, 2021.

On January 29, 2021, UWLI received a second draw loan from a bank in the amount of \$687,500. In accordance with generally accepted accounting principles, UWLI has also opted to account for its PPP loan as an in-substance conditional government grant, which should be recognized in income when all conditions or measurable barriers have been substantially met. Conditions include initial eligibility and forgiveness criteria, which include incurring eligible costs and maintaining certain employment and salary thresholds. Measurable barriers include the review and approval of the forgiveness application. UWLI intends to use the proceeds for purposes consistent with the PPP, believes its use of the funds will meet the conditions for forgiveness of the loan and that final approval of the forgiveness application will not be a barrier but a substantive administrative process. UWLI believes all conditions and barriers will be met during the fiscal year ending June 30, 2022. Accordingly, the second draw of PPP funds have been reflected as a government advance in the Statement of Financial Position as of June 30, 2021.

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

**(8) Net assets:**

Net assets as of June 30, 2021 and 2020 are comprised of the following:

	<u>2021</u>	<u>2020</u>
Without donor restrictions -		
Undesignated	\$ 2,717,818	\$ 2,849,083
Board designated -		
Building fund	447,536	447,536
Fixed assets	<u>865,444</u>	<u>849,504</u>
Total without donor restrictions	<u>4,030,798</u>	<u>4,146,123</u>
With donor restrictions -		
YouthBuild Scholarship Fund	321,232	-
Bank of America - Workforce Dev. Solar Program	250,000	-
Safe at Home	235,389	9
United Together Response COVID Fund	225,438	560,896
Project Warmth	224,187	255,345
Other TRNA	185,816	185,866
Byron Miller Fund	170,147	169,897
VetsBuild	162,569	135,962
Mary Anna Meyer Fund	158,327	158,327
Dreams for Youth	121,186	15,398
DOL YouthBuild Match and Leverage	117,941	246,304
Cammy Belser Fund	108,572	108,572
BOA Summer Youth	91,825	75,000
Missions United	86,638	60,148
David Schector Fund	86,202	86,202
Education and Scholarships	67,857	80,139
Schaufeld Family Fund	64,870	80,230
Walmart Hempstead YB TRNA	51,490	91,832
UWW LYFT Program	50,000	-
NYS Health Foundation Safe At Home	46,813	-
Entenmann's	34,775	-
Pat Michaels Fund	31,400	31,400
The Robert B. Read Memorial Fund	30,000	-
Anthony Stupore Fund	29,921	25,000
Scott Martella Fund	27,502	26,852
Stuff-A-Bus	25,225	653
World Aids Day Consumer Fund	21,524	21,744
Eugene Portella Fund	21,342	20,280
Bank of America Student Leaders Program	16,000	-
Lorraine Aycock Fund	13,000	-
Bob Woodruff Foundation	8,386	-
Henry P. Pearson Memorial Fund	8,111	8,111
Chicken Soup for Health Care Responders	7,706	8,554
Sal LaFonte Fund	3,500	-
Jack Monahan Fund	-	4,180
Superstorm Sandy	-	2,823
Born United	-	1,052
Molloy Green Homes NYSERDA	<u>-</u>	<u>683</u>
Total with donor restrictions	<u>3,104,891</u>	<u>2,461,459</u>
Total net assets	<u>\$ 7,135,689</u>	<u>\$ 6,607,582</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, 2021.

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, 2021 and 2020, related grants receivables were \$0, 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 2021 and 2020 were \$136,157 and \$135,147, respectively.

**(11) 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 \$270,000. Rental income for years ended June 30, 2021 and 2020 was \$270,221 and \$259,803, respectively.

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

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

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**COVID-19** -

In March 2020, the World Health Organization declared the outbreak of Coronavirus (“COVID-19”) as a pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to UWLI, COVID-19 has impacted various parts of its 2021 operations and financial results. Management believes UWLI is taking appropriate actions to mitigate the negative impact. In connection therewith, UWLI received a second draw PPP loan in connection with the CARES Act (See Note 7). However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

**(13) Subsequent events:**

UWLI has evaluated subsequent events through November 4, 2021, which is the date the financial statements were available to be issued, noting the following events:

UWLI is in the process of refinancing the IDA Bond with a commercial mortgage loan financed by another financial institution.

UWLI terminated their line of credit in December 2020 in anticipation of establishing a new line of credit with another financial institution.

On October 22, 2021, UWLI received full forgiveness of its second PPP loan by the Small Business Administration.