

**United Way of Long Island**

**UNITED WAY OF LONG ISLAND**

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

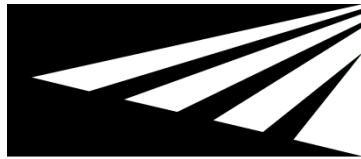
**AS OF AND FOR THE YEARS ENDED  
JUNE 30, 2023 AND 2022**

**UNITED WAY OF LONG ISLAND  
INDEX TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEARS ENDED  
JUNE 30, 2023 AND 2022**

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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 statements of financial position as of June 30, 2023 and 2022, 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.

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, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 Property Held For Sale***

As discussed in Note 13 to the financial statements, contributed property held for sale was recorded incorrectly. Accordingly, amounts reported for in-kind revenue and expenses, property held for sale and deferred revenue have been restated as of June 30, 2022. Our opinion is not modified with respect to this matter.

# NawrockiSmith

## ***Emphasis-of-Matter***

As discussed in Note 2 to the financial statements, UWLI adopted Financial Accounting Standards Board Accounting Standards Update 2016-02, *Leases*. Our opinion is not modified with respect to this matter.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated January 25, 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  
January 25, 2024



**UNITED WAY OF LONG ISLAND  
STATEMENTS OF FINANCIAL POSITION  
AS OF JUNE 30, 2023 AND 2022**

	2023	2022
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents:		
Unrestricted	\$ 1,459,646	\$ 1,813,474
Restricted	7,276,112	6,102,218
Total cash and cash equivalents	8,735,758	7,915,692
Pledges and other receivables, net of allowance for uncollectible pledges of \$531,125 and \$546,698, respectively	3,011,206	3,000,140
Prepaid expenses	116,245	40,421
Current portion of right-of-use assets - operating	19,204	-
Total current assets	11,882,413	10,956,253
<b>NONCURRENT ASSETS:</b>		
Fixed assets, net of accumulated depreciation and amortization of \$2,401,689 and \$2,304,352, respectively	2,344,483	2,473,820
Property held for sale	613,231	395,399
Right-of-use assets, net - operating	47,238	-
Total assets	\$ 14,887,365	\$ 13,825,472
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Current portion of mortgage payable	\$ 68,252	\$ 66,009
Current portion of lease liabilities - operating	12,724	-
Accounts payable and accrued expenses	1,138,653	1,462,816
Allocations payable to agencies	-	347,625
Government advances	1,841,584	868,707
Designations payable	131,782	213,152
Deferred revenue	792,451	381,411
Total current liabilities	3,985,446	3,339,720
<b>LONG-TERM LIABILITIES:</b>		
Mortgage payable	2,269,707	2,329,851
Lease liabilities, net of current portion - operating	40,601	-
Total long-term liabilities	2,310,308	2,329,851
Total liabilities	6,295,754	5,669,571
<b>NET ASSETS:</b>		
Net assets without donor restrictions:		
Undesignated	2,681,773	2,840,272
Board-designated	1,260,926	1,312,980
Total net assets without donor restrictions	3,942,699	4,153,252
Net assets with donor restrictions	4,648,912	4,002,649
Total net assets	8,591,611	8,155,901
Total liabilities and net assets	\$ 14,887,365	\$ 13,825,472

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, 2023**

	Without donor restrictions	With donor restrictions	Total
<b>PUBLIC SUPPORT AND REVENUE:</b>			
Public support -			
Long Island sources	\$ 1,773,649	\$ 3,364,108	\$ 5,137,757
Government contracts	8,916,470	-	8,916,470
Special events	1,070,966	-	1,070,966
Total funds raised	11,761,085	3,364,108	15,125,193
Amounts raised with donor designation	(151,782)	-	(151,782)
Total public support	11,609,303	3,364,108	14,973,411
Provision for estimated collection losses at the UWLI level	(135,762)	-	(135,762)
Total public support, net	11,473,541	3,364,108	14,837,649
Revenue -			
Interest	5,529	7,301	12,830
Gain on sale of vehicle	27,193	-	27,193
Other	365,272	-	365,272
In-kind	276,754	-	276,754
Net assets released from restrictions	2,725,146	(2,725,146)	-
Total revenue	3,399,894	(2,717,845)	682,049
Total public support and revenue	14,873,435	646,263	15,519,698
<b>EXPENSES:</b>			
Program services -			
Ryan White Services	5,226,694	-	5,226,694
Housing Services	2,791,317	-	2,791,317
Community Impact	3,667,451	-	3,667,451
YouthBuild	515,901	-	515,901
Allocations and Contract Payments	469,286	-	469,286
Marketing and Communication	256,450	-	256,450
Total program services	12,927,099	-	12,927,099
Supporting and administrative services -			
Resource development	613,547	-	613,547
Management and general	1,543,342	-	1,543,342
Total supporting and administrative services	2,156,889	-	2,156,889
Total expenses	15,083,988	-	15,083,988
Change in net assets	(210,553)	646,263	435,710
NET ASSETS, BEGINNING OF YEAR	4,153,252	4,002,649	8,155,901
NET ASSETS, END OF YEAR	<u>\$ 3,942,699</u>	<u>\$ 4,648,912</u>	<u>\$ 8,591,611</u>

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, 2022**

	Without donor restrictions	With donor restrictions	Total
<b>PUBLIC SUPPORT AND REVENUE:</b>			
Public support -			
Long Island sources	\$ 2,553,159	\$ 3,157,846	\$ 5,711,005
Government contracts	8,721,869	-	8,721,869
Special events	1,066,189	-	1,066,189
Total funds raised	12,341,217	3,157,846	15,499,063
Amounts raised with donor designation	(233,600)	-	(233,600)
Total public support	12,107,617	3,157,846	15,265,463
Provision for estimated collection losses at the UWLI level	(454,574)	-	(454,574)
Total public support, net	11,653,043	3,157,846	14,810,889
Revenue -			
Interest	1,337	2,218	3,555
Other	304,612	-	304,612
In-kind	218,117	-	218,117
Net assets released from restrictions	2,317,467	(2,317,467)	-
Total revenue	2,841,533	(2,315,249)	526,284
Total public support and revenue	14,494,576	842,597	15,337,173
<b>EXPENSES:</b>			
Program services -			
Ryan White Services	5,400,159	-	5,400,159
Housing Services	1,412,381	-	1,412,381
Community Impact	3,350,422	-	3,350,422
YouthBuild	988,324	-	988,324
Allocations and Contract Payments	923,483	-	923,483
Marketing and Communication	337,182	-	337,182
Total program services	12,411,951	-	12,411,951
Supporting and administrative services -			
Resource development	519,620	-	519,620
Management and general	1,385,390	-	1,385,390
Total supporting and administrative services	1,905,010	-	1,905,010
Total expenses	14,316,961	-	14,316,961
Change in net assets	177,615	842,597	1,020,212
NET ASSETS, BEGINNING OF YEAR	3,975,637	3,160,052	7,135,689
NET ASSETS, END OF YEAR	\$ 4,153,252	\$ 4,002,649	\$ 8,155,901

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, 2023**

	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	\$ -	\$ -	\$ -	\$ -	\$ 469,286	\$ -	\$ 469,286	\$ -	\$ -	\$ -	\$ 469,286
Contract services and other grants	4,785,749	1,948,567	2,404,555	108,994	-	958	9,248,823	-	-	-	9,248,823
Total grants, contracts, and awards	4,785,749	1,948,567	2,404,555	108,994	469,286	958	9,718,109	-	-	-	9,718,109
Personnel											
Salaries	120,059	421,146	966,256	237,085	-	55,025	1,799,571	225,080	823,311	1,048,391	2,847,962
Employee benefits and payroll taxes	155,334	78,925	118,109	40,428	-	35,478	428,274	66,063	216,690	282,753	711,027
Stipends	-	-	10,953	-	-	-	10,953	-	-	-	10,953
Total personnel	275,393	500,071	1,095,318	277,513	-	90,503	2,238,798	291,143	1,040,001	1,331,144	3,569,942
In-kind	35,666	26,749	40,469	35,666	-	31,207	169,757	49,040	57,957	106,997	276,754
Occupancy	27,880	22,092	28,011	49,150	-	8,319	135,452	26,460	34,962	61,422	196,874
Publicity and events	1,010	1,541	20,934	2,339	-	20,527	46,351	86,839	4,820	91,659	138,010
Professional fees and insurance	52,852	215,347	36,874	21,022	-	81,731	407,826	113,518	187,998	301,516	709,342
Bank fees and interest	-	-	-	-	-	-	-	-	112,374	112,374	112,374
Conference and travel	90	2,821	987	48	-	90	4,036	3,736	7,712	11,448	15,484
Equipment rental, maintenance, and supplies	2,549	7,860	1,872	585	-	496	13,362	1,738	38,305	40,043	53,405
Information technology	12,047	42,461	11,686	10,257	-	7,674	84,125	10,719	15,661	26,380	110,505
Other	6,262	8,279	13,159	2,230	-	8,452	38,382	6,384	12,471	18,855	57,237
Subtotal	5,199,498	2,775,788	3,653,865	507,804	469,286	249,957	12,856,198	589,577	1,512,261	2,101,838	14,958,036
Amortization	1,751	1,000	875	521	-	418	4,565	1,543	2,001	3,544	8,109
Depreciation	25,445	14,529	12,711	7,576	-	6,075	66,336	22,427	29,080	51,507	117,843
Total expenses	\$ 5,226,694	\$ 2,791,317	\$ 3,667,451	\$ 515,901	\$ 469,286	\$ 256,450	\$ 12,927,099	\$ 613,547	\$ 1,543,342	\$ 2,156,889	\$ 15,083,988

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, 2022**

	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	\$ -	\$ -	\$ -	\$ -	\$ 923,483	\$ -	\$ 923,483	\$ -	\$ -	\$ -	\$ 923,483
Contract services and other grants	4,537,759	965,021	2,603,310	222,765	-	238	8,329,093	-	-	-	8,329,093
Total grants, contracts, and awards	4,537,759	965,021	2,603,310	222,765	923,483	238	9,252,576	-	-	-	9,252,576
Personnel											
Salaries	575,872	271,208	495,197	458,521	-	187,379	1,988,177	222,585	708,538	931,123	2,919,300
Employee benefits and payroll taxes	139,933	72,845	117,728	97,683	-	49,792	477,981	55,034	186,198	241,232	719,213
Total personnel	715,805	344,053	612,925	556,204	-	237,171	2,466,158	277,619	894,736	1,172,355	3,638,513
In-kind	29,082	21,812	25,447	29,082	-	25,447	130,870	39,988	47,259	87,247	218,117
Occupancy	27,353	23,984	35,466	76,568	-	10,268	173,639	25,424	32,912	58,336	231,975
Publicity and events	841	2,283	11,326	1,052	-	14,321	29,823	55,416	3,544	58,960	88,783
Professional fees and insurance	39,318	22,064	28,454	46,261	-	24,628	160,725	75,502	153,697	229,199	389,924
Bank fees and interest	-	-	-	-	-	-	-	-	179,701	179,701	179,701
Conference and travel	-	1,477	1,928	-	-	107	3,512	1,328	8,721	10,049	13,561
Equipment rental, maintenance, and supplies	4,140	3,733	2,292	3,952	-	1,405	15,522	3,588	8,318	11,906	27,428
Information technology	10,020	11,998	7,530	18,000	-	5,613	53,161	8,932	11,219	20,151	73,312
Other	1,504	985	1,918	1,355	-	5,707	11,469	2,374	7,928	10,302	21,771
Subtotal	5,365,822	1,397,410	3,330,596	955,239	923,483	324,905	12,297,455	490,171	1,348,035	1,838,206	14,135,661
Amortization	768	335	443	740	-	275	2,561	659	834	1,493	4,054
Depreciation	33,569	14,636	19,383	32,345	-	12,002	111,935	28,790	36,521	65,311	177,246
Total expenses	\$ 5,400,159	\$ 1,412,381	\$ 3,350,422	\$ 988,324	\$ 923,483	\$ 337,182	\$ 12,411,951	\$ 519,620	\$ 1,385,390	\$ 1,905,010	\$ 14,316,961

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, 2023 AND 2022**

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 435,710	\$ 1,020,212
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	117,843	177,246
Amortization	8,109	4,054
Provision for collection loss, net of collections	(201,778)	(123,756)
Net change in operating lease liabilities	(13,116)	-
Gain on sale of equipment	(27,193)	-
Changes in assets and liabilities:		
(Increase) decrease in pledges and other receivables	190,712	(602,424)
(Increase) decrease in prepaid expenses	(75,824)	7,362
Increase (decrease) in accounts payable and accrued expenses	(324,163)	972,108
Decrease in allocations payable to agencies	(347,625)	(7,500)
Increase (decrease) in government advances	972,877	(2,665,881)
Decrease in designations payable	(81,370)	(123,650)
Increase (decrease) in deferred revenue	411,040	(376,050)
	1,065,222	(1,718,279)
Net cash provided (used) by operating activities		
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of vehicle	38,685	-
Additions to property held for sale	(217,832)	-
Purchase of fixed assets	-	(69,050)
	(179,147)	(69,050)
Net cash used by investing activities		
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from mortgage payable	-	2,500,000
Principal payments on mortgage payable	(66,009)	(104,140)
Repayment of bond payable	-	(1,676,817)
Repayment of promissory note payable	-	(57,797)
Repayment of construction loan	-	(250,000)
	(66,009)	411,246
Net cash provided (used) by financing activities		
<b>NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	<b>820,066</b>	<b>(1,376,083)</b>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF YEAR</b>	<b>7,915,692</b>	<b>9,291,775</b>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAR</b>	<b>\$ 8,735,758</b>	<b>\$ 7,915,692</b>
 <b>SUPPLEMENTAL DISCLOSURES:</b>		
Cash paid for interest	<u>\$ 81,736</u>	<u>\$ 67,633</u>
Disposal of fully depreciated fixed assets	<u>\$ 20,508</u>	<u>\$ 60,545</u>
Non-cash donation of property	<u>\$ -</u>	<u>\$ 381,411</u>
Initial recognition of right-of-use assets obtained via lease liabilities	<u>\$ 75,601</u>	<u>\$ -</u>
 <b>COMPONENTS OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH ON THE STATEMENTS OF FINANCIAL POSITION:</b>		
Cash and cash equivalents	\$ 1,459,646	\$ 1,813,474
Restricted cash	<u>7,276,112</u>	<u>6,102,218</u>
<b>TOTAL CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b>	<b>\$ 8,735,758</b>	<b>\$ 7,915,692</b>

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, 2023 and 2022.

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, 2023 are designated amounts to other agencies of \$131,782, amounts set aside for specific purposes or programs of \$7,276,112 (including \$1,841,584 of advances from Nassau County relating to the Ryan White grant) and unrestricted cash of \$1,327,864.

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

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**Liquidity considerations -**

**Quantitative -**

As of June 30, 2023, UWLI has \$4,738,432 of financial assets available to meet cash needs for program and supporting services expenditures within one year of the Statement of Financial Position date. 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 \$2,500,000.

**Pledges receivable -**

Pledges receivable as of June 30, 2023 and 2022 are comprised of unconditional promises to give by donors. As of June 30, 2023, 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, 2023 and 2022, UWLI recognized an allowance for doubtful accounts of \$531,125 and \$546,698, 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.

**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 Statements of Financial Position.

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

Effective July 1, 2022, UWLI adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2016-02, *Leases* ("Topic 842"). The new guidance increases transparency by requiring the recognition of right-of-use assets and lease liabilities on the Statements of Financial Position. The recognition of these lease assets and lease liabilities represents a change from previous GAAP, which did not require lease assets and lease liabilities to be recognized for most leases. The recognition, measurement and presentation of expenses and cash flows arising from a lease have not significantly changed from previous GAAP requirements.

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

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On July 1, 2022, the effective date of Topic 842, existing leases of UWLI were required to be recognized and measured. Additionally, any leases entered into during the year were also 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. Implementation of Topic 842 involved an analysis of contracts, including property and equipment leases and service contracts to identify embedded leases, in order to determine the initial recognition of the right-of-use assets and lease liabilities, which required subjective assessment over the determination of the associated discount rates to apply in determining the lease liabilities.

The adoption of Topic 842 with respect to these leases resulted in the recording of one operating lease right-of-use asset of \$18,032 and operating lease liability of \$18,640 as of July 1, 2022. During the year, UWLI entered into four additional leases that were recorded in accordance with Topic 842. See Note 4 for further information related to leases.

UWLI determines if an arrangement is or contains a lease at inception. UWLI's operating lease arrangements are comprised of building 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. The present value of the lease payments was determined using a weighted average incremental borrowing rate of 4.35%. Right-of-use assets also exclude lease incentives.

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 Statements of Cash Flows.

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

UWLI follows the provisions of the 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. As of June 30, 2022, UWLI reported contributed property to be held for sale, of which the carrying amount exceeded the fair value of the assets by \$235,089. As such, the amount of property held for sale on the Statements of Financial Position reflects the impairment as of June 30, 2022. As of June 30, 2023, the impairment remains consistent with June 30, 2022.

**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, 2023 and 2022, 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.

**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 9 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 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, 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.



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

**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 2020.

**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, amortization and certain accrued expenses. Actual results may differ from those estimates.

**(3) Fixed assets**

Fixed assets as of June 30, 2023 and 2022 are comprised of the following:

	2023	2022
Land	\$ 373,761	\$ 373,761
Buildings and improvements	4,273,540	4,273,540
Machinery, equipment, furniture and fixtures	98,871	130,871
	4,746,172	4,778,172
Less: accumulated depreciation	2,401,689	2,304,352
	<u>\$ 2,344,483</u>	<u>\$ 2,473,820</u>

Depreciation expense for the years ended June 30, 2023 and 2022 was \$117,843 and \$177,246, respectively.

**(4) Property held for sale**

Property held for sale consists 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. In connection with obtaining the properties, UWLI incurred costs totaling \$13,988 which results in a carrying amount of \$395,399 as of June 30, 2022 for the two properties. UWLI expects there to be a reduction to the second property value during the year ended June 30, 2024 when more information is obtained. During the year ended June 30, 2023, UWLI spent \$217,832 on renovations which increased the value of these properties. As of June 30, 2023 and 2022, UWLI held properties for sale with values of \$613,231 and \$395,399, respectively.

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

**(5) 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 as of July 1, 2022, was 4.35%.

As of June 30, 2023, the weighted average remaining lease term for UWLI’s operating leases was approximately 3.84 years.

Cash paid for the operating leases for the year ended June 30, 2023 was \$24,692. There were no noncash investing and financing transactions related to leasing other than the transition entry described in Note 2.

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

For the Fiscal Year Ending June 30,	
2024	\$ 17,040
2025	17,040
2026	13,948
2027	7,764
2028	6,700
Total	62,492
Less: discount to present value	(9,167)
Total lease liabilities	<u>\$ 53,325</u>

**(6) 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, 2023, the balance of the mortgage payable was \$2,337,959.

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

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Long-term debt interest expense for 2023 and 2022 was comprised of the following:

	2023	2022
Mortgage	\$ 81,736	\$ 38,119
Bond	-	28,062
Promissory note	-	1,452
	81,736	67,633
Plus: amortization of issuance costs	8,109	4,054
	\$ 89,845	\$ 71,687

Future maturities represent actual obligations of long-term debt and do not include the deferred bond issuance costs of \$68,922 netted against long-term debt on the Statements of Financial Position. As of June 30, 2023, future maturities are estimated as follows:

<u>Year ending June 30,</u>	
2024	\$ 68,252
2025	70,571
2026	72,969
2027	75,448
2028	77,820
Thereafter	2,041,821
	2,406,881
Less: issuance costs	(68,922)
	\$ 2,337,959

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

**(7) Net assets**

Net assets as of June 30, 2023 and 2022 are comprised of the following:

	<u>2023</u>	<u>2022</u>
Without donor restrictions -		
Undesignated	\$ 2,681,773	\$ 2,840,272
Board designated -		
Building fund	406,974	447,536
Fixed assets	<u>853,952</u>	<u>865,444</u>
Total without donor restrictions	<u>3,942,699</u>	<u>4,153,252</u>
With donor restrictions -		
YouthBuild Scholarship Fund	724,429	444,320
Bank of America - Workforce Dev. Solar Program	423,902	201,184
VetsBuild	391,139	258,274
Everyone Rides Nice, Inc.	266,881	316,381
Project Warmth	264,773	136,101
Dreams for Youth	230,258	161,921
Education and Scholarships	189,210	147,852
Other TRNA	179,240	185,816
Ruth D. and Byron Miller Fund	174,247	170,147
Missions United	153,435	116,815
Weinber Foundation Safe at Home Mod Program	147,190	-
Siemer Institute Family Success Initiative	141,021	122,500
DOL YouthBuild Match and Leverage	113,561	192,575
Cammy Belser Fund	112,298	103,572
You Call the Shots	108,415	109,927
Schaufeld Family Fund	105,903	79,072
David Schector Fund	86,407	86,202
United Together Response COVID Fund	78,327	113,515
Safe at Home	74,968	277,157
Walmart Hempstead YB TRNA	52,705	51,727
Grace Scholarship Endowment	50,000	-
Income Stability	49,491	48,337
NYS Health Foundation Safe At Home	46,813	46,813
Stuff-A-Bus	44,456	44,212
Sandy Relief	40,000	50,000
COVID 19 Vaccine Program	39,450	43,492
Anthony Stupore Fund	38,424	37,042
The Robert B. Read Memorial Fund	35,266	34,266
Entenmann's	33,537	33,537
Pat Michaels Fund	31,400	31,400
UWW LYFT Program	30,835	42,445
The Bountiful Company	27,615	35,288
Scott Martella Fund	26,657	27,427
Homeless Prevention	25,000	25,000
Eugene Portella Fund	24,461	24,462
World Aids Day Consumer Fund	20,573	21,354
Access to Healthcare	13,709	6,554
BOA Summer Youth	13,160	92,253
Lorraine Aycock Fund	13,000	13,000
Chicken Soup for Health Care Responders	7,678	7,678
Bob Woodruff Foundation	7,386	17,387
Sal LaFonte Fund	6,400	6,400
Bank of America Student Leaders Program	4,661	4,661
Disaster Relief	631	-
NYSERDA Net Zero Economic Program	-	16,271
UWW Door Dash	-	5,000
Sunfundors (Netzero Energy Building)	<u>-</u>	<u>13,312</u>
Total with donor restrictions	<u>4,648,912</u>	<u>4,002,649</u>
Total net assets	<u>\$ 8,591,611</u>	<u>\$ 8,155,901</u>

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

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, 2023.

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.

**(8) 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, 2023 and 2022, related grants receivables were \$1,198,267 and \$1,379,879, respectively.

**(9) In-kind donations**

In-kind donations as of June 30, 2023 and 2022 are comprised of the following:

	<u>2023</u>	<u>2022</u>
Marketing and communications	\$ 122,332	\$ 115,963
Services	121,093	79,234
Event gifts	24,068	-
Medical supplies	9,261	5,800
Rent	-	17,120
	<u>\$ 276,754</u>	<u>\$ 218,117</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.

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

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In-kind donated event gifts comprised of gifts, trips and experiences were provided to UWLI for various special events.

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

In-kind donated rent was utilized in Youthbuild program services.

**(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 2023 and 2022 were \$119,389 and \$130,817, 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 \$300,000. Rental income for years ended June 30, 2023 and 2022 was \$307,565 and \$255,387, 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. As of June 30, 2023 and 2022, cash in excess of federally insured limits amounted to \$6,882,224 and \$5,949,265, respectively.

**(13) Prior period adjustment**

Certain amounts reported related to donated property held for sale had been reported as in-kind revenues and expenses. These amounts have been corrected as of June 30, 2022. The restatement effects will be as follows:

Change in Net Assets for the year ended June 30, 2022, as previously stated	\$ 1,020,212
Less: Change in recognition of in-kind revenue	(616,500)
Less: Change in recognition of in-kind expenses	<u>616,500</u>
Change in Net Assets for the year ended June 30, 2022, as restated	<u>\$ 1,020,212</u>
Total Net Assets as of June 30, 2022, as previously stated	\$ 8,155,901
Plus: Change in recognition of property held for sale	381,411
Plus: Change in recognition of deferred revenue - property held for sale	<u>(381,411)</u>
Total Net Assets as of June 30, 2022, as restated	<u>\$ 8,155,901</u>

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

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**(14) Subsequent events**

UWLI has evaluated subsequent events through January 25, 2024, which is the date the financial statements were available to be issued. Based on this evaluation, UWLI has determined there are no matters which require disclosure in the financial statements.