

# UNITED WAY OF NEW YORK CITY



**United Way  
of New York City**

**Financial Statements  
(Together with Independent Auditors' Report)**

**Years Ended June 30, 2020 and 2019**

**M A R K S P A N E T H**

ACCOUNTANTS & ADVISORS

**UNITED WAY OF NEW YORK CITY  
FINANCIAL STATEMENTS  
(Together with Independent Auditors' Report)  
YEARS ENDED JUNE 30, 2020 AND 2019**

**CONTENTS**

	<b><u>Page</u></b>
Independent Auditors' Report .....	1
<b>Financial Statements:</b>	
Statements of Financial Position .....	2
Statements of Activities .....	3-4
Statements of Functional Expenses .....	5-6
Statements of Cash Flows .....	7
Notes to Financial Statements .....	8-25

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
United Way of New York City

We have audited the accompanying financial statements of United Way of New York City ("UWNYC") which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the 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.

### ***Auditors' 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.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of UWNYC as of June 30, 2020 and 2019, 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.

*Marks Paneth LLP*

New York, NY  
April 1, 2021

**UNITED WAY OF NEW YORK CITY  
STATEMENTS OF FINANCIAL POSITION  
AS OF JUNE 30, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>		
Cash and cash equivalents (Notes 2D and 16)	\$ 6,801,302	\$ 1,051,538
Restricted cash (Notes 2D and 16)	351,459	959,956
Investments (Notes 2E, 2F, 4, 5 and 13)	6,181,363	5,952,683
Campaign receivables, net (Notes 2G, 2I and 6)	2,090,234	3,483,532
Government grants/contracts receivable (Note 2I)	20,127,400	10,128,649
Private grants and contributions receivable, net (Notes 2H, 2I and 7)	1,344,681	1,411,870
COVID-19 contributions receivable (Notes 2H and 2I)	550,600	-
Prepaid expenses and other assets (Notes 5 and 8)	984,514	1,217,590
Beneficial interest in perpetual trust (Notes 2S, 5 and 13)	519,897	530,116
Capital lease assets and improvements, net (Note 9)	6,408,348	7,103,146
Property and equipment, net (Notes 2J and 10)	112,700	176,535
<b>TOTAL ASSETS</b>	<b>\$ 45,472,498</b>	<b>\$ 32,015,615</b>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses, net (Note 2K)	\$ 2,471,438	\$ 2,241,726
Campaign donor designations payable (Note 2G)	766,754	315,820
Government contract awards payable (Note 2M)	17,363,314	9,330,065
Government contract advances (Note 2Q)	1,499,675	-
Paycheck Protection Program refundable advance (Note 15)	175,134	-
Deferred rent liability (Notes 2N and 14B)	624,734	651,898
Unfunded pension liability (Notes 2O and 11)	1,185,367	426,027
Post-retirement life insurance liability (Notes 2O and 12)	2,597,046	2,453,755
Capital lease obligations (Note 9)	7,784,431	7,934,850
Capital lease improvements loan payable (Note 9)	2,197,087	2,241,359
<b>TOTAL LIABILITIES</b>	<b>36,664,980</b>	<b>25,595,500</b>
<b>COMMITMENTS AND CONTINGENCIES</b> (Note 14)		
<b>NET ASSETS</b> (Note 2B)		
Without Donor Restrictions:		
Operations	7,532,885	6,836,895
Board designated	489,473	489,473
Net investment in property and equipment	112,700	176,535
Unfunded pension liability	(1,185,367)	(426,027)
Post-retirement life insurance liability	(2,597,046)	(2,453,755)
Net investment in capital lease obligation	(3,573,170)	(3,073,063)
Total net assets without donor restrictions	779,475	1,550,058
Net assets with donor restrictions (Note 13)	8,028,043	4,870,057
<b>TOTAL NET ASSETS</b>	<b>8,807,518</b>	<b>6,420,115</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 45,472,498</b>	<b>\$ 32,015,615</b>

**UNITED WAY OF NEW YORK CITY**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2020**  
**(With Comparative Totals for the Year Ended June 30, 2019)**

	Year Ended June 30, 2020			Total 2019
	Without Donor Restrictions	With Donor Restrictions	Total 2020	
<b>OPERATING REVENUE AND SUPPORT</b> (Note 2C):				
Campaigns	\$ 18,298,048	\$ -	\$ 18,298,048	\$ 21,605,819
Less: Donor designations	(12,809,018)	-	(12,809,018)	(14,946,452)
Less: Provision for uncollectible receivables	(615,533)	-	(615,533)	(498,410)
Campaign results, net (Notes 2G and 6)	<u>4,873,497</u>	<u>-</u>	<u>4,873,497</u>	<u>6,160,957</u>
Special events revenue	2,252,237	-	2,252,237	3,639,648
Less: direct expenses	(81,083)	-	(81,083)	(572,047)
Special events, net (Note 2P)	<u>2,171,154</u>	<u>-</u>	<u>2,171,154</u>	<u>3,067,601</u>
Government grants/contracts (Note 2Q)	26,068,774	-	26,068,774	26,255,834
Individual contributions	736,917	121,066	857,983	652,033
Private grants and foundation giving	-	2,251,299	2,251,299	996,343
COVID-19 contributions (Note 2H)	-	7,696,955	7,696,955	-
Fiscally sponsored funds	-	1,388,282	1,388,282	931,718
In-kind contributions (Note 2P)	118,454	-	118,454	42,000
Campaign administrative fees	66,538	-	66,538	104,476
Investment return used for operations (Note 4)	254,417	123,819	378,236	398,898
Rental income	106,715	-	106,715	-
Other income	63,630	-	63,630	219,085
Net assets released from restrictions (Note 13)	<u>8,369,710</u>	<u>(8,369,710)</u>	<u>-</u>	<u>-</u>
<b>TOTAL OPERATING REVENUE AND SUPPORT</b>	<u>42,829,806</u>	<u>3,211,711</u>	<u>46,041,517</u>	<u>38,828,945</u>
<b>OPERATING EXPENSES:</b>				
<b>Program Services:</b>				
Community investment grants and awards (Note 2L)	5,431,686	-	5,431,686	2,048,606
Contract services and other grants	24,045,302	-	24,045,302	24,589,672
Community investment services	5,053,398	-	5,053,398	4,983,876
<b>Total Program Services</b>	<u>34,530,386</u>	<u>-</u>	<u>34,530,386</u>	<u>31,622,154</u>
<b>Supporting Services:</b>				
Management and general	4,683,460	-	4,683,460	5,148,697
Fundraising	4,794,300	-	4,794,300	4,408,704
<b>Total Supporting Services</b>	<u>9,477,760</u>	<u>-</u>	<u>9,477,760</u>	<u>9,557,401</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>44,008,146</u>	<u>-</u>	<u>44,008,146</u>	<u>41,179,555</u>
<b>SURPLUS (DEFICIT) OF OPERATING REVENUE AND SUPPORT OVER (UNDER) OPERATING EXPENSES</b>	<u>(1,178,340)</u>	<u>3,211,711</u>	<u>2,033,371</u>	<u>(2,350,610)</u>
<b>NON-OPERATING ACTIVITIES</b>				
Investment return over (under) amounts appropriated for operations (Note 4)	(106,233)	(43,506)	(149,739)	1,752
Change in value of beneficial interest in perpetual trust (Note 13)	-	(10,219)	(10,219)	4,018
Forgiveness of debt (Note 9)	290,542	-	290,542	-
Paycheck Protection Program grant (Note 15)	<u>1,080,859</u>	<u>-</u>	<u>1,080,859</u>	<u>-</u>
<b>TOTAL NON-OPERATING ACTIVITIES</b>	<u>1,265,168</u>	<u>(53,725)</u>	<u>1,211,443</u>	<u>5,770</u>
<b>CHANGE IN NET ASSETS BEFORE PENSION AND POST-RETIREMENT RELATED CHANGES</b>	86,828	3,157,986	3,244,814	(2,344,840)
Pension plan related changes other than net periodic pension cost (Note 11)	(746,367)	-	(746,367)	(265,336)
Post-retirement life insurance plan related changes (Note 12)	<u>(111,044)</u>	<u>-</u>	<u>(111,044)</u>	<u>166,615</u>
<b>CHANGES IN TOTAL NET ASSETS</b>	<u>(770,583)</u>	<u>3,157,986</u>	<u>2,387,403</u>	<u>(2,443,561)</u>
Net assets, beginning of year	<u>1,550,058</u>	<u>4,870,057</u>	<u>6,420,115</u>	<u>8,863,676</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 779,475</u>	<u>\$ 8,028,043</u>	<u>\$ 8,807,518</u>	<u>\$ 6,420,115</u>

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

**UNITED WAY OF NEW YORK CITY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total 2019</b>
<b>OPERATING REVENUE AND SUPPORT:</b>			
Campaigns	\$ 21,605,819	\$ -	\$ 21,605,819
Less: Donor designations	(14,946,452)	-	(14,946,452)
Less: Provision for uncollectible receivables	(498,410)	-	(498,410)
Campaign results, net (Notes 2G and 6)	6,160,957	-	6,160,957
Special events revenue	3,639,648	-	3,639,648
Less: direct expenses	(572,047)	-	(572,047)
Special events, net (Note 2P)	3,067,601	-	3,067,601
Government grants/contracts (Note 2Q)	26,255,834	-	26,255,834
Individual contributions	634,622	17,411	652,033
Private grants and foundation giving	-	996,343	996,343
Fiscally sponsored funds	-	931,718	931,718
In-kind contributions (Note 2P)	42,000	-	42,000
Campaign administrative fees	104,476	-	104,476
Investment return used for operations (Note 4)	277,291	121,607	398,898
Other income	219,085	-	219,085
Net assets released from restrictions (Note 13)	4,527,730	(4,527,730)	-
<b>TOTAL OPERATING REVENUE AND SUPPORT</b>	<b>41,289,596</b>	<b>(2,460,651)</b>	<b>38,828,945</b>
<b>OPERATING EXPENSES:</b>			
<b>Program Services:</b>			
Community investment grants and awards (Note 2L)	2,048,606	-	2,048,606
Contract services and other grants	24,589,672	-	24,589,672
Community investment services	4,983,876	-	4,983,876
<b>Total Program Services</b>	<b>31,622,154</b>	<b>-</b>	<b>31,622,154</b>
<b>Supporting Services:</b>			
Management and general	5,148,697	-	5,148,697
Fundraising	4,408,704	-	4,408,704
<b>Total Supporting Services</b>	<b>9,557,401</b>	<b>-</b>	<b>9,557,401</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>41,179,555</b>	<b>-</b>	<b>41,179,555</b>
<b>SURPLUS (DEFICIT) OF OPERATING REVENUE AND SUPPORT OVER (UNDER) OPERATING EXPENSES</b>	<b>110,041</b>	<b>(2,460,651)</b>	<b>(2,350,610)</b>
<b>NON-OPERATING ACTIVITIES</b>			
Investment return over (under) amounts appropriated for operations (Note 4)	(22,124)	23,876	1,752
Change in value of beneficial interest in perpetual trust (Note 13)	-	4,018	4,018
<b>TOTAL NON-OPERATING ACTIVITIES</b>	<b>(22,124)</b>	<b>27,894</b>	<b>5,770</b>
<b>CHANGE IN NET ASSETS BEFORE PENSION AND POST-RETIREMENT RELATED CHANGES</b>	<b>87,917</b>	<b>(2,432,757)</b>	<b>(2,344,840)</b>
Pension plan related changes other than net periodic pension cost (Note 11)	(265,336)	-	(265,336)
Post-retirement life insurance plan related changes (Note 12)	166,615	-	166,615
<b>CHANGE IN TOTAL NET ASSETS</b>	<b>(10,804)</b>	<b>(2,432,757)</b>	<b>(2,443,561)</b>
Net assets, beginning of year	1,560,862	7,302,814	8,863,676
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 1,550,058</b>	<b>\$ 4,870,057</b>	<b>\$ 6,420,115</b>

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

**UNITED WAY OF NEW YORK CITY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2020**  
(With Comparative Totals for the Year Ended June 30, 2019)

Year Ended June 30, 2020

Supporting Services

	Program Services	Management and General	Fundraising	Total Supporting Services	Total 2020	Total 2019
<b>Grants, contracts and awards</b>						
Community investment grants and awards	\$ 5,431,686	\$ -	\$ -	\$ -	\$ 5,431,686	\$ 2,048,606
Contract services and other grants	24,045,302	-	-	-	24,045,302	24,589,672
	<u>29,476,988</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,476,988</u>	<u>26,638,278</u>
<b>Personnel</b>						
Salaries	2,659,831	1,772,173	1,835,676	3,607,849	6,267,680	6,216,882
Payroll taxes and benefits (Notes 11 and 12)	548,011	478,105	359,067	837,172	1,385,183	1,609,106
	<u>3,207,842</u>	<u>2,250,278</u>	<u>2,194,743</u>	<u>4,445,021</u>	<u>7,652,863</u>	<u>7,825,988</u>
<b>Office, occupancy and professional fees</b>						
Office maintenance and general supplies	16,838	94,205	9,970	104,175	121,013	127,018
Expensed equipment and rentals	51,067	207,474	87,668	295,142	346,209	293,904
Dues and subscriptions	7,475	43,041	55,330	98,371	105,846	75,355
Travel and transportation	4,714	26,030	9,009	35,039	39,753	54,517
Telephone	9,735	9,224	8,985	18,209	27,944	29,383
Insurance	85,747	43,633	47,272	90,905	176,652	198,894
Occupancy (Note 9)	703,114	357,785	387,625	745,410	1,448,524	1,564,071
Professional fees (Note 2P)	189,800	1,183,328	519,376	1,702,704	1,892,504	1,255,663
	<u>1,068,490</u>	<u>1,964,720</u>	<u>1,125,235</u>	<u>3,089,955</u>	<u>4,158,445</u>	<u>3,598,805</u>
<b>Events and promotion</b>						
Special events marketing and communication	-	-	596,099	596,099	596,099	660,813
Catering and entertainment	-	-	81,083	81,083	81,083	572,047
General promotion	4,385	-	23,161	23,161	27,546	18,203
Meetings, seminars and training	10,728	69,136	13,559	82,695	93,423	213,196
Postage and shipping	9,538	11,519	10,230	21,749	31,287	20,084
Printing and distribution	-	-	1,040	1,040	1,040	2,127
	<u>24,651</u>	<u>80,655</u>	<u>725,172</u>	<u>805,827</u>	<u>830,478</u>	<u>1,486,470</u>
<b>Other expenses</b>						
Depreciation and amortization (Note 10)	75,765	28,297	13,094	41,391	117,156	199,800
Amortization of capital lease assets (Note 9)	179,025	88,713	98,695	187,408	366,433	368,819
Interest expense	297,899	169,165	164,231	333,396	631,295	611,284
Bad debt expense	-	615,533	-	615,533	615,533	498,410
Dues paid to national and state organizations	199,726	101,632	554,213	655,845	855,571	1,022,158
	<u>752,415</u>	<u>1,003,340</u>	<u>830,233</u>	<u>1,833,573</u>	<u>2,585,988</u>	<u>2,700,471</u>
Less: Provision for uncollectible receivables	-	615,533	-	615,533	615,533	498,410
Less: Cost of direct benefits to donors	-	-	81,083	81,083	81,083	572,047
<b>TOTAL EXPENSES</b>	<u>\$ 34,530,386</u>	<u>\$ 4,683,460</u>	<u>\$ 4,794,300</u>	<u>\$ 9,477,760</u>	<u>\$ 44,008,146</u>	<u>\$ 41,179,555</u>

**UNITED WAY OF NEW YORK CITY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Year Ended June 30, 2019

	Supporting Services			Total Supporting Services	Total 2019
	Program Services	Management and General	Fundraising		
<b>Grants, contracts and awards</b>					
Community investment grants and awards	\$ 2,048,606	\$ -	\$ -	\$ -	\$ 2,048,606
Contract services and other grants	<u>24,589,672</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,589,672</u>
	<u>26,638,278</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,638,278</u>
<b>Personnel</b>					
Salaries	2,101,458	2,204,974	1,910,450	4,115,424	6,216,882
Payroll taxes and benefits (Notes 11 and 12)	<u>571,451</u>	<u>563,308</u>	<u>474,347</u>	<u>1,037,655</u>	<u>1,609,106</u>
	<u>2,672,909</u>	<u>2,768,282</u>	<u>2,384,797</u>	<u>5,153,079</u>	<u>7,825,988</u>
<b>Office, occupancy and professional fees</b>					
Office maintenance and general supplies	15,774	102,204	9,040	111,244	127,018
Expensed equipment and rentals	36,014	195,753	62,137	257,890	293,904
Dues and subscriptions	5,667	33,848	35,840	69,688	75,355
Travel and transportation	9,700	29,644	15,173	44,817	54,517
Telephone	11,235	7,843	10,305	18,148	29,383
Insurance	98,333	47,715	52,846	100,561	198,894
Occupancy	772,783	375,980	415,308	791,288	1,564,071
Professional fees (Note 2P)	<u>199,520</u>	<u>889,267</u>	<u>166,876</u>	<u>1,056,143</u>	<u>1,255,663</u>
	<u>1,149,026</u>	<u>1,682,254</u>	<u>767,525</u>	<u>2,449,779</u>	<u>3,598,805</u>
<b>Events and promotion</b>					
Special events marketing and communication	-	800	660,013	660,813	660,813
Catering and entertainment	-	-	572,047	572,047	572,047
General promotion	-	-	18,203	18,203	18,203
Meetings, seminars and training	22,432	173,011	17,753	190,764	213,196
Postage and shipping	1,099	13,230	5,755	18,985	20,084
Printing and distribution	<u>-</u>	<u>-</u>	<u>2,127</u>	<u>2,127</u>	<u>2,127</u>
	<u>23,531</u>	<u>187,041</u>	<u>1,275,898</u>	<u>1,462,939</u>	<u>1,486,470</u>
<b>Other expenses</b>					
Depreciation and amortization (Note 10)	152,835	24,100	22,865	46,965	199,800
Amortization of capital lease assets (Note 9)	182,344	88,480	97,995	186,475	368,819
Interest expense	297,876	153,324	160,084	313,408	611,284
Bad debt expense	-	498,410	-	498,410	498,410
Dues paid to national and state organizations	<u>505,355</u>	<u>245,216</u>	<u>271,587</u>	<u>516,803</u>	<u>1,022,158</u>
	<u>1,138,410</u>	<u>1,009,530</u>	<u>552,531</u>	<u>1,562,061</u>	<u>2,700,471</u>
Less: Provision for uncollectible receivables	-	498,410	-	498,410	498,410
Less: Cost of direct benefits to donors	<u>-</u>	<u>-</u>	<u>572,047</u>	<u>572,047</u>	<u>572,047</u>
<b>TOTAL EXPENSES</b>	<u>\$ 31,622,154</u>	<u>\$ 5,148,697</u>	<u>\$ 4,408,704</u>	<u>\$ 9,557,401</u>	<u>\$ 41,179,555</u>

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

**UNITED WAY OF NEW YORK CITY**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Changes in net assets	\$ 2,387,403	\$ (2,443,561)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	117,156	199,800
Amortization of capital lease assets	366,433	368,819
Pension related changes other than net periodic pension cost	857,411	98,721
Change in value of beneficial interest in perpetual trust	10,219	(4,018)
Change in discount on private grants and contributions receivable	7,429	17,332
Change in value of capital lease assets and improvements	328,365	-
Forgiveness of debt	290,542	-
Change in value of capital lease obligation	(307,411)	366,140
Provision for uncollectible campaign receivables	(615,533)	(498,410)
Net realized and unrealized gain on investments	(146,652)	(284,742)
Sub-total	3,295,362	(2,179,919)
Changes in operating assets and liabilities:		
Decrease (increase) in assets:		
Campaign receivables	2,008,831	27,117
Government grants/contracts receivable	(9,998,751)	(731,637)
Private grants and contributions receivable	59,760	914,136
COVID-19 contributions receivable	(550,600)	-
Prepaid expenses and other assets	233,076	(885)
(Decrease) increase in liabilities:		
Accounts payable and accrued expenses	229,712	715,831
Community investment grants and awards payable	-	(115,859)
Campaign donor designations payable	450,934	141,539
Government contract awards payable	8,033,249	(98,611)
Government contract advances	1,499,675	-
Paycheck Protection Program refundable advance	175,134	-
Deferred rent liability	(27,164)	(27,163)
Accrued pension and post-retirement life insurance liability	45,220	189,115
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>5,454,438</b>	<b>(1,166,336)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of investments	(2,815,813)	(1,237,152)
Proceeds from sales of investments	2,733,785	2,124,296
Purchases of property and equipment	(53,321)	(68,413)
<b>Net Cash (Used in) Provided by Investing Activities</b>	<b>(135,349)</b>	<b>818,731</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payments of capital lease obligations	(133,550)	(108,832)
Payments of loan payable	(44,272)	(41,701)
<b>Net Cash Used in Financing Activities</b>	<b>(177,822)</b>	<b>(150,533)</b>
<b>NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	<b>5,141,267</b>	<b>(498,138)</b>
Cash, cash equivalents and restricted cash - beginning of year	2,011,494	2,509,632
<b>CASH , CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR</b>	<b>\$ 7,152,761</b>	<b>\$ 2,011,494</b>
<b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>		
Cash paid for interest	\$ 189,403	\$ 278,145
<b>SUPPLEMENTAL NON-CASH ACTIVITY:</b>		
Change in present value of capital lease assets and improvements	\$ 328,365	\$ -
Forgiveness of debt by lender	\$ 290,542	\$ -

**UNITED WAY OF NEW YORK CITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES**

United Way of New York City (“UWNYC”) is a not-for-profit community service organization recognized as an exempt organization under Section 501(c)(3) of the Internal Revenue Code. UWNYC is dedicated to helping low-income New Yorkers make ends meet and lead self-sufficient lives. UWNYC works with cross-sector partners – corporations, foundations, governments, nonprofits, and individuals – to help fund and fuel the mission: *to mobilize our communities to break down barriers and build opportunities that improve the lives of low-income New Yorkers for the benefit of all.* As an institution deeply rooted in racial equity and social justice, UWNYC’s programmatic work centers around bridging the gap and condemning structural racism and discrimination. To accomplish a more equitable City, one where all individuals and families have access to quality education and the opportunity to lead healthy and financially secure lives, we must shift mindsets, practices, and policies in neighborhoods of concentrated poverty – and citywide – to implement and scale what works.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. ***Basis of Accounting and Use of Estimates*** – UWNYC’s financial statements have been prepared on the accrual basis of accounting. UWNYC adheres to accounting principles generally accepted in the United States of America (“U.S. GAAP”). The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

B. ***Financial Statement Presentation*** – UWNYC maintains its net assets under the following two classes:

Net assets without donor restrictions - This represents net assets not subject to donor-imposed stipulations and that have no time restrictions. Such resources are available for support of UWNYC’s operations over which the Board of Directors has discretionary control. Board designated net assets consist of net assets without donor restrictions and whose use has been designated by the Board.

Net assets with donor restrictions - This represents 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. When a stipulated time restriction ends or purpose restriction is accomplished or endowment earnings are appropriated for operations, such net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Generally, the donors of these assets permit UWNYC to use all or part of the income earned on related investments as net assets without restrictions or donor-specified purposes. Also included in net assets with donor restrictions is a beneficial interest in a perpetual trust where UWNYC is one of six equal beneficiaries, with the investments held in perpetuity by a third party trustee.

C. ***Support and Revenue*** – Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or law. Expenses are reported as decreases in net assets without donor restrictions. Contributions with donor-imposed restrictions, such as time or purpose restrictions, are recorded as net assets with donor restrictions. When donor-imposed time restrictions expire, or as a donor-imposed purpose restriction is fulfilled, net assets with donor restrictions are released to net assets without donor restrictions.

Investment income and net realized and unrealized gains (losses) on investments of net assets with donor restrictions are reported as follows:

- As increases (decreases) in net assets with donor restrictions if the terms of the gift impose restrictions on the current use of the investment income and unappropriated earnings from endowment funds.

**UNITED WAY OF NEW YORK CITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Support and Revenue (Continued)**

- As increases (decreases) in net assets with donor restrictions if the terms of the gift require that they be added back to the principal.
- As increases (decreases) in net assets without donor restrictions in all other cases.

**D. Cash, Cash Equivalents and Restricted Cash** – Cash, cash equivalents and restricted cash include all highly liquid instruments with maturities of three months or less when acquired, except for certain cash and money market funds which are included with investments. Restricted cash is held for the NYC Department of Education contracts. UWNYC regularly monitors the availability of resources required to meet its operating needs and other contractual commitments to ensure adequate capital is available for its needs (see Note 3).

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the statements of financial position that sum to the total of the same such amounts shown in the statements of cash flows as of June 30:

	2020	2019
Cash and cash equivalents	\$ 6,801,302	\$ 1,051,538
Restricted cash	351,459	959,956
Total	\$ 7,152,761	\$ 2,011,494

- E. Investments** – Investments are carried at fair value as defined in Note 2F. Net appreciation/(depreciation) in the fair value of investments, which includes realized and unrealized gains and losses on those investments, are reported in the statements of activities. Cost basis is determined on the date of purchase. Securities received as gifts are recorded at fair value at the date of the gift. Investment securities are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in value of investment securities, it is possible that changes in risks in the near term could materially affect investment balances.
- F. Fair Value Measurements** – Investments are stated at fair value. Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as reported in Note 5.
- G. Campaign Results and Campaign Donor Designations Payable** – Annual campaigns are conducted each year to raise support for charitable distributions. Campaign revenue is recognized as revenue at the time of the promise, net of an allowance for uncollectible campaign receivables.

Donors have the option to designate their contribution to another specific recognized 501(c)(3) organization. These transactions are included in the total campaign amounts raised on the statements of activities and then deducted as designations payable before arriving at net campaign results. Campaign donor designations payable in the statements of financial position represent amounts raised through various campaigns that are designated by donors to be paid out to other 501(c)(3) organizations.

**H. Private Grants and Contributions Receivable and COVID-19 Contributions Receivable** – Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contributions revenue. Conditional promises to give are not included as contribution revenue until the conditions are substantially met.

**UNITED WAY OF NEW YORK CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**H. *Private Grants and Contributions Receivable and COVID-19 Contributions Receivable (Continued)***

Contributions received for COVID-19 were recorded as unconditional promises and represent the contributions from individuals and private foundations which are restricted to provide resources and financial assistance to partner agencies and community-based organizations that work with UWNYP's most-underserved communities and most-vulnerable neighbors. The receivables amounted to \$550,600 as of June 30, 2020 and are due within one year.

- I. ***Allowance for Doubtful Accounts*** – UWNYP determines whether an allowance for uncollectible receivables should be provided for government grants/contracts receivable, campaign and other receivables. Such estimate is based on management's assessment of the aged basis of its receivables, current economic conditions, creditworthiness of its donors, historical experience, and collections subsequent to year end. As of June 30, 2020 and 2019, UWNYP determined an allowance of \$348,815 and \$379,599, respectively, was necessary for campaign receivables and no allowance for government grants/contracts receivable and COVID-19 contributions receivable. As of June 30, 2020 and 2019, UWNYP determined that an allowance of \$18,618 and \$14,000, respectively, was necessary for uncollectible private grant and contributions receivable. This determination was based on a combination of factors such as management's estimate of the creditworthiness of its donors, a review of individual accounts outstanding, the aged basis of the receivables and historical experience.
- J. ***Property and Equipment*** – Property and equipment is stated at cost less accumulated depreciation and amortization. These amounts do not purport to represent replacement or realizable values. Depreciation and amortization is calculated on the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of the life of the lease or the improvement. UWNYP capitalizes property and equipment with cost of \$1,000 or more and a useful life of greater than one year. Upon retirement or disposal, the asset cost and related accumulated depreciation and amortization are eliminated from the respective accounts, and the resulting gain or loss is included in the changes in net assets for the period.
- K. ***Reserve for Accounts Payable and Accrued Expenses*** – UWNYP determines whether a reserve for possible reduction of liabilities should be provided for accounts payable and accrued expenses. Such estimate is based on management's assessment of the current liabilities and the likelihood of the amounts being paid in full. As of June 30, 2020, UWNYP determined a reserve of \$167,642 was necessary due to ongoing negotiations with United Way Worldwide ("UWW") concerning the ultimate disposition of annual fees charged for the fiscal year ended June 30, 2020.
- L. ***Community Investment Grants and Awards*** – The program services budget is approved annually by the Board of Directors on the recommendation of the Community Investment Committee. Awards support the impact areas, namely; Health, Education and Income as well as services provided to strengthen New York City nonprofits. Grants and awards are accrued as commitments are made in accordance with the approved budget.
- M. ***Government Contract Awards Payable*** – UWNYP administers a variety of government-funded programs. Through these programs, UWNYP provides grants to community-based organizations in support of specific services for emergency food and shelter and hunger and nutrition assistance. The government contract awards payable reflect those expenses incurred by the community-based organizations that will be reimbursed by UWNYP.
- N. ***Deferred Rent*** – UWNYP records an adjustment to rent expense each year to reflect the straight-line method. Straight-lining of rent gives rise to a timing difference that is reflected as deferred rent in the accompanying statements of financial position.

**UNITED WAY OF NEW YORK CITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- O. **Unfunded Pension and Post-Retirement Life Insurance Liability** – UWNYC (a) recognizes in its statement of financial position an asset for a plan’s overfunded status or a liability for a plan’s underfunded status; (b) measures a plan’s assets and its obligations that determine its funded status as of the end of the fiscal year; and (c) recognizes changes in the funded status in the year in which the changes occur.
- P. **In-kind Contributions** – Donated goods are recorded at their fair value on the date of receipt. Donated services are reported as contributions when the services create or enhance nonfinancial assets, would be purchased if they had not been provided by contribution, require specialized skills and are provided by individuals possessing those skills. For the years ended June 30, 2020 and 2019, UWNYC recorded income and expense for contributed goods and services of \$118,454 and \$107,000, respectively. Such contributed goods and services are reflected in the financial statements as follows:

	2020	2019
Special event expenses	\$ 64,532	\$ -
Professional fees	53,922	42,000
	\$ 118,454	\$ 42,000

- Q. **Revenue from Government Sources** – UWNYC derives its revenue from, among other sources, cost reimbursement contracts and fees for service programs with government agencies which are recognized as revenue as those costs are incurred and the revenue is earned. Advances received on government grants are recorded as a liability until the expenses are incurred, at which time revenue is recognized.

Multi-year governmental contracts included under government grants are cancellable by the funder upon its sole discretion. As of June 30, 2020 and 2019, UWNYC received conditional grants and contracts from government agencies in the aggregate amounts of \$5,524,675 and \$0, respectively, that have not been recorded in the accompanying financial statements, as they have not been earned. These grants and contracts require UWNYC to provide certain services as specified in the contracts. If such services are not provided, the foundations and governmental entities are not obligated to expend the funds allotted under the grants and contracts and UWNYC may be required to return the funds already remitted.

- R. **Bequests and Legacies** – UWNYC recognizes bequests and legacies as support when the wills have passed probate and the sum is certain.
- S. **Beneficial Interest in Trust** – UWNYC is one of the six equal beneficiaries in a trust in which investment assets are held in perpetuity by a third party trustee. UWNYC receives the annual income, which is recorded as net assets without donor restrictions. Realized and unrealized appreciation (depreciation) remains part of the trust principal. The change in value of beneficial interest in perpetual trust amounted to \$(10,219) and \$4,018 for the years ended June 30, 2020 and 2019, respectively, and is included in the statements of activities. As of June 30, 2020 and 2019, beneficial interest in perpetual trust amounted to \$519,897 and \$530,116, respectively.
- T. **Functional Allocation of Expenses** – The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

**UNITED WAY OF NEW YORK CITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- U. **Measures of Operations** – UWNYC includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities, including appropriated investment income allocation. Investment income, earned in excess of (or less than) UWNYC’s aggregate spending amount, change in value of beneficial interest in perpetual trust and other non-operating grants, gains or losses are recognized as non-operating activities.
- V. **Recent Accounting Pronouncements** – Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) No. 2018-08, “Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made” (Topic 958) was also adopted by UWNYC for the year ended June 30, 2020. The core guidance is to assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and determining whether a contribution or government grant is conditional as further described in Note 2Q.

**NOTE 3 – LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor restrictions limiting their use within one year of the statements of financial position, comprised of the following as of June 30:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 6,801,302	\$ 1,051,538
Campaign receivables, net	2,090,234	3,483,532
Government grants/contracts receivable	20,127,400	10,128,649
Investments	6,181,363	5,952,683
COVID-19 contributions receivable	550,600	-
Private grants and contributions receivable	<u>1,344,681</u>	<u>1,411,870</u>
 Total financial assets	 37,095,580	 22,028,272
 Less: Investments held for endowments	 (2,020,076)	 (2,063,580)
Less: Private grants and contributions receivable due in more than one year	(155,000)	(516,870)
Add: Distributions from beneficial interests in assets held by others	21,000	22,000
Add: Endowment spending - rate distributions and appropriations	123,819	121,607
	<u>\$35,065,323</u>	<u>\$ 19,591,429</u>

As part of UWNYC’s liquidity management plan, UWNYC invests cash in excess of daily requirements in short-term investments and money market funds. In addition, UWNYC has a maximum line of credit totaling \$2,500,000 with a financial institution (Note 14C), which can be drawn upon if needed.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, UWNYC considers all expenditures related to its ongoing activities of programs as well as the conduct of services undertaken to support those activities to be general expenditures. Donor restricted funds for various programs are considered available for the general expenditures to conduct those programs. UWNYC’s endowment funds consist of donor-restricted endowments and funds designated by the Board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

UWNYC’s donor-restricted endowment of \$2,020,076 is subject to an annual spending rate of 5 percent as described in Note 13. Although UWNYC does not intend to spend from this donor-restricted endowment (other than amounts appropriated for general expenditure as part of the Board’s annual budget approval and appropriation), these amounts could be made available if necessary.

**UNITED WAY OF NEW YORK CITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 4 – INVESTMENTS**

Investments consist of the following as of June 30:

	<u>2020</u>	<u>2019</u>
Money market funds	\$ 98,994	\$ 172,251
Fixed income	2,528,462	2,281,480
Equities	3,490,474	3,498,952
Commodities	63,433	-
	<u>\$ 6,181,363</u>	<u>\$ 5,952,683</u>

The components of investment return for the years ended June 30:

	<u>2020</u>	<u>2019</u>
Dividends and interest	\$ 81,845	\$ 115,908
Realized and unrealized gain	<u>146,652</u>	<u>284,742</u>
Total return on investments	<u>\$ 228,497</u>	<u>\$ 400,650</u>
Investment return used for current operations	\$ 378,236	\$ 398,898
Investment return (under) over spending rate	<u>(149,739)</u>	<u>1,752</u>
	<u>\$ 228,497</u>	<u>\$ 400,650</u>

Investment revenues are reported net of related investment advisory fees in the statements of activities. The amount of expenses netted with revenues amounted to \$46,861 and \$44,981 for the years ended June 30, 2020 and 2019, respectively.

**NOTE 5 – FAIR VALUE MEASUREMENTS**

Fair value is a market-based measurement that is determined based on one or more inputs using assumptions that market participants would use in pricing the asset or liability. In determining fair value, UWNYP utilizes a valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs, to the extent possible in its assessment of fair value. These inputs also form the basis of the fair value hierarchy which is used to categorize a fair value measurement into one of three levels as follows:

Level 1: Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Valuations based on observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Valuations based on unobservable inputs are used when little or no market data is available. The fair value hierarchy gives lowest priority to Level 3 inputs.

Investments in money market funds, equities and commodities are valued using market prices in active markets (Level 1). Level 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets. Investments in fixed income funds are valued using quoted prices in inactive markets (Level 2).

**UNITED WAY OF NEW YORK CITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 5 – FAIR VALUE MEASUREMENTS (Continued)**

Level 2 instrument valuations are obtained from similar assets or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the end of the reporting period. For the years ended June 30, 2020 and 2019 there were no transfers in or out of levels 1 or 2.

Financial assets carried at fair value as of June 30, 2020 are classified in the table as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>FINANCIAL ASSETS AT FAIR VALUE</b>				
Money market funds	\$ 98,994	\$ -	\$ -	\$ 98,994
Fixed income	-	2,528,462	-	2,528,462
Equities	3,490,474	-	-	3,490,474
Commodities	63,433	-	-	63,433
	<u>3,652,901</u>	<u>2,528,462</u>	<u>-</u>	<u>6,181,363</u>
Beneficial interest in trusts	-	-	519,897	519,897
Cash surrender value - Insurance contract (see Note 8)	-	893,706	-	893,706
	<u>-</u>	<u>893,706</u>	<u>-</u>	<u>893,706</u>
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE</b>	<b><u>\$ 3,652,901</u></b>	<b><u>\$ 3,422,168</u></b>	<b><u>\$ 519,897</u></b>	<b><u>\$ 7,594,966</u></b>

Financial assets carried at fair value as of June 30, 2019 are classified in the table as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>FINANCIAL ASSETS AT FAIR VALUE</b>				
Money market funds	\$ 172,251	\$ -	\$ -	\$ 172,251
Fixed income	-	2,281,480	-	2,281,480
Equities	3,498,952	-	-	3,498,952
	<u>3,671,203</u>	<u>2,281,480</u>	<u>-</u>	<u>5,952,683</u>
Beneficial interest in trusts	-	-	530,116	530,116
Cash surrender value - Insurance contract (see Note 8)	-	865,787	-	865,787
	<u>-</u>	<u>865,787</u>	<u>-</u>	<u>865,787</u>
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE</b>	<b><u>\$ 3,671,203</u></b>	<b><u>\$ 3,147,267</u></b>	<b><u>\$ 530,116</u></b>	<b><u>\$ 7,348,586</u></b>

Fair value for the beneficial interest in trusts is measured using the fair value of the assets held in trusts as reported by the trustee as of June 30, 2020 and 2019. UWNYP considers the measurement of its beneficial interest in trusts to be a Level 3 measurement within the fair value hierarchy because even though that measurement is based on the unadjusted fair values of the trust assets reported by the trustee, UWNYP will have the ability to direct the trustee to redeem them.

**UNITED WAY OF NEW YORK CITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 5 – FAIR VALUE MEASUREMENTS (Continued)**

The table below presents information about fair value measurements that use significant unobservable inputs (level 3):

Balance - July 1, 2018	\$ 526,098
Total gains or losses recognized in the change in net assets with donor restrictions – change in value of perpetual trusts	<u>4,018</u>
Balance – July 1, 2019	530,116
Total gains or losses recognized in the change in net assets with donor restrictions – change in value of perpetual trusts	<u>(10,219)</u>
Balance – June 30, 2020	<u>\$ 519,897</u>

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although UWNYPC believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**NOTE 6 – CAMPAIGN RECEIVABLES, NET**

Campaign receivables consist of local campaign and regional campaign.

**Local Campaign** - Local campaign includes various workplace campaigns in the New York City service area. Local campaign funds include both undesignated and designated campaign funds. Undesignated funds are those funds designated to UWNYPC and not to another specific charity by the donor. Designated funds are those funds designated to a specific charity by the donor. For such designated funds received, UWNYPC pays out to the specified beneficiary as intended by the donor. The processing of designated funds is considered as agency transaction and recorded as an increase in campaign revenue and a corresponding increase in donor designations.

For the years ended June 30, 2020 and 2019, such donor-designated funds amounted to \$12,809,018 and \$14,946,452, respectively, and are included as campaign revenue and donor designations in the statements of activities. The provision for uncollectible receivable related to the local campaign for the years ended June 30, 2020 and 2019 amounted to \$615,533 and \$498,410, respectively.

**Regional Campaign** - UWNYPC and 21 other United Way organizations work in collaboration with a regional office of United Way Worldwide (“UWW”) to raise funds from a select group of companies located throughout the region. The regional office ceased its operations on December 31, 2013. For all regional area campaigns beginning in 2013 and thereafter, fund distribution to local United Ways in the region will be based on the methodology used for local campaigns.

Campaign receivables consist of the following as of June 30:

	<u>2020</u>	<u>2019</u>
Local campaign	\$ 2,439,049	\$ 3,863,131
Less: allowance for doubtful accounts	<u>(348,815)</u>	<u>(379,599)</u>
	<u>\$ 2,090,234</u>	<u>\$ 3,483,532</u>

**UNITED WAY OF NEW YORK CITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 7 – PRIVATE GRANTS AND CONTRIBUTIONS RECEIVABLE**

Private grants and contributions receivable are recorded net of a discount (at a risk-adjusted rate) to reflect the present value of future cash flows and are scheduled to be collected as follows as of June 30:

	<u>2020</u>	<u>2019</u>
One year or less	\$ 1,210,000	\$ 895,000
One year to five years	<u>155,000</u>	<u>540,000</u>
	1,365,000	1,435,000
Less: allowance for doubtful accounts	(18,618)	(14,000)
Less: present value discount, rates ranging from 1.01% to 1.75%	<u>(1,701)</u>	<u>(9,130)</u>
	<u>\$ 1,344,681</u>	<u>\$ 1,411,870</u>

**NOTE 8 – PREPAID EXPENSES AND OTHER ASSETS**

Prepaid expenses and other assets consist of the following as of June 30:

	<u>2020</u>	<u>2019</u>
Cash surrender value - insurance	\$ 893,706	\$ 865,787
Prepaid and deferred charges	<u>90,808</u>	<u>351,803</u>
	<u>\$ 984,514</u>	<u>\$ 1,217,590</u>

UWNYC is the beneficiary of an insurance contract from a donor with a face amount of \$800,000. As of June 30, 2020 and 2019, the cash surrender value of the insurance contract amounted to \$893,706 and \$865,787, respectively, and is included with prepaid expenses and other assets in the statements of financial position.

**NOTE 9 – CAPITAL LEASE ASSETS AND IMPROVEMENTS**

In 2013, UWNYC entered into a condominium agreement (“Agreement”) in a building located at 205 East 42<sup>nd</sup> Street. UWNYC entered into a 30-year “leasehold condominium” ownership structure with the Durst Organization for two units in the building. The leasehold condominium ownership structure provides UWNYC with an ownership interest in its units for the 30-year term of the transaction. The purchase of the leasehold condominium was classified as a capital lease. At the time of the transaction, the present value of the minimum lease payments at the beginning of the leasehold condominium purchase and sale agreement (discounted at an estimated incremental borrowing rate of 6%) amounted to \$6,843,730 and is reflected as a capital lease asset and obligation in the statements of financial position. In addition, capital lease assets and improvements amounted to \$2,441,800 and are being amortized over 30 years. The Agreement includes a ground rent charge at \$18.81 per square foot to be paid annually over the life of the Agreement. The ground rent is accounted for as an operating lease (see Note 14B). In connection with the Agreement, UWNYC delivered to the seller a clean irrevocable letter of credit for \$3 million drawn upon a commercial bank.

In connection with the Agreement, the seller also provided a loan of \$2,441,800 to UWNYC for renovations and buildouts of the leasehold condominium. The loan is payable over 30 years at an interest rate of 6% and principal payments commenced July 2014. The loan payable amounted to \$2,197,087 and \$2,241,359 as of June 30, 2020 and 2019, respectively.

Effective December 1, 2019, UWNYC and Durst Organization have entered into an Installment Purchase Payments Forbearance And Modification Agreement (the “Forbearance Agreement”) that released UWNYC of any obligation to pay the monthly lease payments and associated common charges for the March 2019 through November 2019 period. Accordingly, UWNYC recorded \$308,665 and \$314,685 of rent credits as a reduction of occupancy expense for the years ended June 30, 2020 and 2019, respectively.

**UNITED WAY OF NEW YORK CITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 9 – CAPITAL LEASE ASSETS AND IMPROVEMENTS (Continued)**

The Forbearance Agreement also provides for forgiveness of monthly lease payments and loan payments for the period from December 1, 2019 through June 30, 2021. UWNYP recognized \$290,542 as forgiveness of debt for the year ended June 30, 2020. In addition, the present value of the minimum lease payments for the condominium was recalculated using 5% based on the revised lease payments. The capitalized leasehold condominium asset amounted to \$5,734,205 and \$6,062,867 as of June 30, 2020 and 2019, respectively. The revised present value of the minimum lease payments amounted to \$7,784,431 and \$7,934,850 as of June 30, 2020 and 2019, respectively.

Future minimum principal and interest payments on the loan payable are as follows for the years ending after June 30, 2020:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 47,003	\$ 130,547	\$ 177,550
2022	49,902	127,648	177,550
2023	52,980	124,570	177,550
2024	56,248	121,302	177,550
2025	59,717	117,833	177,550
2026-2043	<u>1,931,237</u>	<u>1,205,479</u>	<u>3,136,716</u>
	<u>\$ 2,197,087</u>	<u>\$ 1,827,379</u>	<u>\$ 4,024,466</u>

Capital lease assets and improvements consist of the following as of June 30:

	<u>2020</u>	<u>2019</u>	<u>Lease Term</u>
Leasehold condominium	\$ 5,734,502	\$ 6,062,867	30 years
Leasehold condominium improvements	2,441,800	2,441,800	30 years
Furniture	<u>883,367</u>	<u>883,367</u>	10 years
Total cost	9,059,669	9,388,034	
Less: accumulated depreciation and amortization	<u>(2,651,321)</u>	<u>(2,284,888)</u>	
	<u>\$ 6,408,348</u>	<u>\$ 7,103,146</u>	

Future minimum cash payments (principal and interest) are as follows for the years ending after June 30, 2020:

	<u>Capital Lease</u>
2021	\$ -
2022	320,520
2023	320,520
2024	336,798
2025	515,864
2026-2043	<u>15,765,734</u>
Total minimum lease payments	17,259,436
Less amount representing interest	<u>(9,475,005)</u>
Present value of minimum lease payments	<u>\$ 7,784,431</u>

**UNITED WAY OF NEW YORK CITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 10 – PROPERTY AND EQUIPMENT, NET**

Property and equipment consists of the following as of June 30:

	<u>2020</u>	<u>2019</u>	Estimated Useful Lives
Equipment, furniture and fixtures	\$ 175,116	\$ 604,752	3-10 years
Less: accumulated depreciation	<u>(62,416)</u>	<u>(428,217)</u>	
Net book value	<u>\$ 112,700</u>	<u>\$ 176,535</u>	

Depreciation expense amounted to \$117,156 and \$199,800 for the years ended June 30, 2020 and 2019, respectively. For the years ended June 30, 2020 and 2019, UWNYC wrote off \$482,957 and \$137,942 respectively, of fully depreciated assets that are no longer in use.

**NOTE 11 – PENSION PLANS**

UWNYC sponsored a 403(b) thrift plan (“403(b) Plan”) for all employees. This Plan was terminated as of December 31, 2013 and a new 401(k) Plan was created effective January 1, 2014. Employer contributions to the Plan are discretionary. For the years ended June 30, 2020 and 2019, \$166,968 and \$167,573 was contributed to the 401(k) Plan.

UWNYC has a Defined Benefit Pension Plan (the “Pension Plan”) with the benefits based on years of service and the employee’s annual average of the highest 60 consecutive months’ compensation. UWNYC’s funding policy is to contribute annually at least the minimum amount under Section 412 of the Internal Revenue Code. The Pension Plan was frozen effective June 30, 2009. Benefit accruals are not credited for any service or employment for any participant after June 30, 2009, however, vesting rights continue after June 30, 2009.

The funded status of the Pension Plan as of June 30:

	<u>2020</u>	<u>2019</u>
Change in benefit obligation:		
Benefit obligation at beginning of year	\$ 19,454,574	\$ 18,280,824
Interest costs	649,620	747,364
Actual loss	2,932,358	1,748,802
Expense paid	(125,100)	(136,276)
Benefits paid	<u>(852,050)</u>	<u>(1,186,140)</u>
Benefit obligation at end of year	22,059,402	19,454,574
Fair value of plan assets	<u>20,874,035</u>	<u>19,028,547</u>
Unfunded liability	<u>\$ (1,185,367)</u>	<u>\$ (426,027)</u>

The components of net periodic (credit) cost for the years ended June 30, 2020 and 2019, included in operating results on the statements of functional expenses in payroll taxes and benefits, are as follows:

	<u>2020</u>	<u>2019</u>
Interest costs	\$ 649,620	\$ 747,364
Expected return on plan assets	(786,860)	(753,467)
Amortization of actuarial loss	<u>100,213</u>	<u>76,719</u>
Net periodic (credit) cost	<u>\$ (37,027)</u>	<u>\$ 70,616</u>

**UNITED WAY OF NEW YORK CITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 11 – PENSION PLANS (Continued)**

Net periodic (credit) cost is an actuarial estimate made at the beginning of the fiscal year and includes interest cost and an estimated long-term rate of return on Plan assets of 4.25% as of June 30, 2020 and 2019. The net periodic (credit) cost is recorded in payroll taxes and benefits as a (credit) charge to operating expenses. The (credit) cost was \$(37,027) and \$70,616 for the years ended June 30, 2020 and 2019, respectively. At the end of the fiscal year it is adjusted based on the actual rate of return, with the difference recorded as a non-operating adjustment. For the years ended June 30, 2020 and 2019, the amounts recognized were \$(746,367) and \$(265,336), respectively.

The amounts recognized in the Plan as calculated by the actuary as of June 30:

	<u>2020</u>	<u>2019</u>
Actuarial loss	\$ (3,656,766)	\$ (2,860,399)

Other changes in assets and benefit obligation recognized in net assets without donor restrictions for the years ended June 30:

	<u>2020</u>	<u>2019</u>
Net actuarial loss	\$ (796,367)	\$ (331,870)

The weighted assumptions used as of and for the years ended June 30:

	<u>2020</u>	<u>2019</u>
Discount rate	2.62%	3.43%
Expected return of plan assets*	4.25%	4.25%
Rate of compensation increase	N/A	N/A

\*A rate of 4.25% was used as the investment manager's long-term expected rate of return, and is subject to change.

Pension Plan assets as of June 30:

	<u>2020</u>	<u>2019</u>
<u>AXA Equitable Life Insurance Company</u>		
Guarantee Account	\$ 13,635	\$ 15,761
<u>Wells Fargo</u>		
Cash and cash equivalents	106,151	153,715
Mutual Funds:		
Fixed Income Funds	18,707,858	16,980,391
Equity Funds	<u>2,046,391</u>	<u>1,878,680</u>
	<u>\$ 20,874,035</u>	<u>\$ 19,028,547</u>

As of June 30, 2020 and 2019, all pension plan assets are carried at fair value and are classified under Level 2 of the fair value hierarchy except for cash and cash equivalents which are classified as Level 1. See Note 5 for definitions of the fair value hierarchy. UWNYP made no contributions for the fiscal years ended June 30, 2020 and 2019 and does not expect to make contributions for the fiscal year ended June 30, 2021.

**UNITED WAY OF NEW YORK CITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 11 – PENSION PLANS (Continued)**

The projected benefit payments are as follows:

Years Ending June 30,	
2021	\$ 1,256,670
2022	951,878
2023	978,594
2024	1,068,545
2025	1,073,903
2026-2030	5,650,045
	<u>\$ 10,979,635</u>

**NOTE 12 – POST-RETIREMENT LIFE INSURANCE PLAN**

UWNYC offered a Post-Retirement Life Insurance Plan (“Life Insurance Plan”) for retired employees. Effective January 1, 2010, the life insurance plan benefits ceased for all covered active employees whose retirement date is on or after January 1, 2010. Substantially all of UWNYC’s employees may have become eligible for those benefits if they reached normal retirement age while working for UWNYC.

The funded status of the Life Insurance Plan as of June 30:

	<u>2020</u>	<u>2019</u>
Change in benefit obligation:		
Benefit obligation at beginning of year	\$ 2,453,755	\$ 2,568,405
Interest costs	77,788	99,890
Actuarial loss (gain)	111,044	(166,615)
Benefits paid	<u>(45,541)</u>	<u>(47,925)</u>
Benefit obligation at end of year	2,597,046	2,453,755
Fair value of plan assets	-	-
Unfunded liability	<u>\$ (2,597,046)</u>	<u>\$ (2,453,755)</u>

The components of net periodic benefit cost for the years ended June 30, 2020 and 2019 include interest costs of \$77,788 and \$99,890, respectively, and are recorded in payroll taxes and benefits as operating expenses. At the end of the fiscal year it is adjusted based on the funded status of the Life Insurance Plan, with the difference recorded as a non-operating adjustment. The non-operating adjustment for the years ended June 30, 2020 and 2019 was an actuarial loss of \$111,044 and gain of \$(166,615), respectively. For the years ended June 30, 2020 and 2019, the net Life Insurance Plan related change were \$(111,044) and \$166,615, respectively.

The amounts recognized in the Plan as calculated by the actuary as of June 30:

	<u>2020</u>	<u>2019</u>
Actuarial gain	<u>\$ (244,722)</u>	<u>\$ (368,086)</u>

The weighted assumptions used as of and for the years ended June 30:

	<u>2020</u>	<u>2019</u>
Discount rate	3.35%	3.35%
Rate of compensation increase	N/A	N/A

**UNITED WAY OF NEW YORK CITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 12 – POST-RETIREMENT LIFE INSURANCE PLAN (Continued)**

The projected benefit payments are as follows:

Years Ending June 30,		\$
2021		123,666
2022		129,334
2023		134,563
2024		139,336
2025		143,583
2026-2030		767,754
		<u>1,438,236</u>
		<u>\$ 1,438,236</u>

**NOTE 13 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consist of the following as of June 30:

	2020	2019
Subject to expenditures for specified purpose or passage of time:		
Various community impact programs	\$ 854,365	\$ 495,109
COVID-19	3,046,953	-
Change Capital Fund	1,363,452	1,070,389
Unappropriated endowment earnings	148,442	191,946
Other time and purpose restricted	223,300	710,863
Subtotal	5,636,512	2,468,307
Endowment principal held in perpetuity:		
Carp Endowment	1,176,426	1,176,426
Human Care Endowment	150,617	150,617
Louis and Mary Horowitz Endowment	544,591	544,591
	1,871,634	1,871,634
Beneficial interest in perpetual trust	519,897	530,116
	<u>\$ 8,028,043</u>	<u>\$ 4,870,057</u>

Net assets with donor restrictions were released from restrictions by incurring expenses satisfying the restricted purposes or passage of time.

Donor restricted endowment funds consist of the Carp Endowment, Human Care Endowment, and Louis and Mary Horowitz Endowment with donor stipulations that they be invested in perpetuity to provide a permanent source of income. The income from these funds is classified as net assets with donor restrictions until appropriated for operations.

UWNYC recognizes that New York Prudent Management of Institutional Funds Act (“NYPMIFA”) created a rebuttable presumption of imprudence if an organization appropriates more than 7% of a donor-restricted permanent endowment fund’s fair value (averaged over a period of not less than the preceding five years) in any year. In addition, and in accordance with NYPMIFA, earnings on endowments that are considered without donor restrictions are reflected as net assets with donor restrictions until appropriated by the Board of Directors. As of June 30, 2020 and 2019, UWNYC reported all earnings on endowment funds as net assets with donor restrictions until appropriated by the Board for operations.

**UNITED WAY OF NEW YORK CITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 13 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

As a result of this interpretation, UWNYC has not changed the way net assets restricted in perpetuity are classified. The remaining portion of the donor-restricted endowment fund that is not classified as restricted in perpetuity is classified as net assets with donor restrictions (purpose and time-restricted for future periods), until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by NYPMIFA.

The investment policy at UWNYC is intended to provide a strong base to support the operations and mission of UWNYC. The two major investment objectives for the total portfolio are preservation of purchasing power and growth of capital. In line with these objectives, UWNYC ensures the preservation and growth of principal in a reasonable and prudent manner. The goal for equity and fixed income investments is to have a total return that exceeds an appropriate market index rate of return, net of costs and fees over a three to five-year period. Total return is defined as dividend or interest income plus realized and unrealized capital appreciation or depreciation at fair market value.

According to UWNYC's spending policy, earnings on endowments will follow the terms of the net assets restricted in perpetuity. Spending of all other long-term investment assets will be limited to 5% of the average portfolio balance for the previous 60 months. The calculation will be made at the beginning of each fiscal year in order to determine the amount available to spend during that year. Any spending beyond the 5% will require prior Board approval.

Changes in endowment net assets for the year ended June 30, 2020:

	Unappropriated Earnings	Endowment Principal	Total
Endowment net assets, beginning of year	\$ 191,946	\$ 1,871,634	\$ 2,063,580
Investment Activity:			
Interest and dividends	34,792	-	34,792
Unrealized and realized gain on investments	45,523	-	45,523
Total investment activity	80,315	-	80,315
Amount appropriated	(123,819)	-	(123,819)
Endowment net assets, end of year	\$ 148,442	\$ 1,871,634	\$ 2,020,076

Changes in endowment net assets for the year ended June 30, 2019:

	Unappropriated Earnings	Endowment Principal	Total
Endowment net assets, beginning of year	\$ 168,070	\$ 1,871,634	\$ 2,039,704
Investment Activity:			
Interest and dividends	49,006	-	49,006
Unrealized and realized gain on investments	96,477	-	96,477
Total investment activity	145,483	-	145,483
Amount appropriated	(121,607)	-	(121,607)
Endowment net assets, end of year	\$ 191,946	\$ 1,871,634	\$ 2,063,580

**UNITED WAY OF NEW YORK CITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 13 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

Endowment net assets of \$2,020,076 and \$2,063,580 are included with investments on the statements of financial position as of June 30, 2020 and 2019, respectively. Endowment net assets do not include the beneficial interest in the perpetual trust, however, it is included in net assets with donor restrictions.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires UWNYP to retain as a fund of perpetual duration. In accordance with U.S. GAAP, any deterioration of the fair value of assets associated with donor-restricted endowment funds that falls below the level the donor requires UWNYP to retain in perpetuity is to be reported in net assets with donor restrictions. This deficiency can result from unfavorable market fluctuations that may occur that affect donor restricted endowment funds. There were no such deficiencies for the years ended June 30, 2020 and 2019, respectively.

**NOTE 14 – COMMITMENTS AND CONTINGENCIES**

A. The minimum annual rentals for equipment under non-cancelable leases are as follows for the years ended after June 30, 2020:

	<u>Equipment</u>
2021	\$ 44,000
2022	16,000
2023	13,000
2024	<u>1,000</u>
	<u>\$ 74,000</u>

Rent expense amounted to \$89,467 and \$100,279, respectively, for the years ended June 30, 2020 and 2019.

B. UWNYP entered into a ground lease agreement as part of the capital lease transaction as discussed in Note 9. The total minimum rental payments from inception through 2043 amount to approximately \$27 million. The deferred rent liability of \$624,734 and \$624,734 is included in the statements of financial position related to the straight-lining of the ground lease as of June 30, 2020 and 2019, respectively. During 2020, UWNYP entered into a licensing agreement with a not-for-profit organization for the entity to use part of the leased space. Income from the licensing fee amounted to \$106,715 during the year ended June 30, 2020.

Minimum annual payments for the year ended after June 30, 2020, are as follows:

	<u>Ground Rent</u>
2021	\$ 918,605
2022	918,605
2023	918,605
2024	918,605
2025	918,605
2026-2043	<u>16,534,890</u>
	<u>\$ 21,127,915</u>

C. On July 9, 2019, UWNYP opened a line of credit with a financial services company with a maximum borrowing of up to \$2.5 million. The borrowings are secured by marketable securities and there is no maturity date. The interest rate is LIBOR plus 2.5%. As of June 30, 2020 and April 1, 2021, borrowings from the line amounted to \$0.

D. UWNYP may be subject to legal proceedings and claims which may arise in the ordinary course of its business. Management is not aware of any such matters at this time.

**UNITED WAY OF NEW YORK CITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 14 – COMMITMENTS AND CONTINGENCIES (Continued)**

- E. UWNYC believes it has no uncertain tax positions as of June 30, 2020 and 2019 in accordance with Accounting Standards Codification (“ASC”) Topic 740 “Income Taxes,” which provides standards for establishing and classifying any tax provisions for uncertain tax positions.
- F. In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (“COVID-19”) as a pandemic. At the time of this writing, this pandemic continues to spread through the New York area, the United States, and the world at large. UWNYC has been materially affected by the economic impacts of this pandemic.

On March 15, 2020, in response to the devastation the pandemic was wreaking on the communities that UWNYC serves, UWNYC established the COVID-19 Community Fund. The organization’s goal was to provide resources and financial assistance to partner agencies and community-based organizations that work with the most-underserved communities and most-vulnerable neighbors. The fund was designed to meet immediate needs of New Yorkers through relief efforts, while working to build self-sufficiency for families and strengthening the nonprofit sector across the City.

Before COVID-19 struck, New York City was already facing challenges in educational equality, food insecurity, limited access to critical benefits, and other struggles often found in low-income communities, especially communities of color. These challenges were exacerbated by the pandemic and brought into focus the discriminatory effects faced by neighborhoods of predominantly black and brown people, including, a lack of available educational resources, higher rates of unemployment, less access to healthy foods, and in direct relation to COVID-19, higher infection and death rates.

United Way of New York City’s COVID-19 Community Fund has invested in specific issue areas where financial support would have the greatest impact, including: advocacy and policy change (AdvocateNYC); benefits access, eviction, and crisis support (BenefitsAccessNYC); educational support (ReadNYC); food and hunger relief (FeedNYC); and organizational support (StrengthenNYC).

As of June 30, 2020, UWNYC’s COVID-19 Community Fund raised more than \$12 million and received more than \$50,000 in in-kind services and support. Support came from a wide array of sources including over \$8 million in corporate and government partnerships; over \$3 million in corporate and employee giving; and over \$500,000 in support from individuals. As a result of UWNYC’s efforts, 468,847 people received food benefits; 1.2 million pounds of food and an additional 250,000 meals were distributed; 845 households received critical housing support; 456 individuals received workforce development training or employment assistance; 3,600 staff persons of non-profits around New York City received critical PPE (personal protective equipment); 35 community-based organizations received technical assistance; and over 1,500 individual advocacy action steps were taken.

Unfortunately, the pandemic continues to spread. The ultimate extent of its impact on UWNYC’s mission, financial condition, and results of operations will depend on future developments including the swift distribution of an effective vaccine through the first half of 2021. As a result of this uncertainty, UWNYC cannot predict with great confidence the extent to which its financial condition and results of operations will be impacted.

**NOTE 15 – PAYCHECK PROTECTION PROGRAM GRANT**

On March 27, 2020, in response to COVID-19, the federal government passed the Coronavirus Aid, Relief, and Economic Stability Act (“CARES Act”). Among many other provisions, to help businesses retain employees, the CARES Act provides relief to qualifying businesses through a program called the Paycheck Protection Program (“PPP”). Participating in the PPP enables the business to obtain a loan from the Small Business Administration (SBA) sector of the government. If the proceeds from the loan are used for specified purposes, some or all of the loan can be forgiven. UWNYC applied for this loan through an SBA authorized lender. The loan, amounting to \$1,255,993, was approved on April 30, 2020 and received on May 1, 2020.

**UNITED WAY OF NEW YORK CITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 15 – PAYCHECK PROTECTION PROGRAM GRANT (Continued)**

In accounting for the terms of the PPP loan, UWNYP is guided by ASC 958-605 *Contribution*. Accordingly, UWNYP has accounted for this under ASC 958-605 as a conditional contribution. At June 30, 2020, UWNYP has met the performance obligations and recorded grant income of \$1,080,859 in the accompanying June 30, 2020 statement of activities. As of June 30, 2020, \$175,134 was recorded as refundable advance until the conditions are substantially met.

**NOTE 16 – CONCENTRATION**

Cash, cash equivalents and restricted cash that potentially subject UWNYP to a concentration of credit risk include cash accounts with a financial institution that exceeded the Federal Deposit Insurance Corporation (“FDIC”) insurance limits of \$250,000 by approximately \$6,913,000 and \$1,773,000 at one bank as of June 30, 2020 and 2019, respectively.

**NOTE 17 – SUBSEQUENT EVENTS**

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the statement of financial position through April 1, 2021, the date the financial statements were available to be issued.