

UNITED WAY OF NEW YORK CITY



**United Way
of New York City**

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

Years Ended June 30, 2021 and 2020

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, 2021 AND 2020**

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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, 2021 and 2020, 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, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Marks Paneth LLP

New York, NY
February 23, 2022

**UNITED WAY OF NEW YORK CITY
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2021 AND 2020**

	2021	2020
ASSETS		
Cash and cash equivalents (Notes 2D and 16)	\$ 4,243,698	\$ 6,801,302
Restricted cash (Notes 2D and 16)	1,323,131	351,459
Investments (Notes 2E, 2F, 4, 5 and 13)	7,583,898	6,181,363
Campaign receivables, net (Notes 2G, 2I and 6)	1,518,184	2,090,234
Government grants/contracts receivable (Note 2I)	13,708,408	20,127,400
Private grants and contributions receivable, net (Notes 2H, 2I and 7)	4,144,406	1,344,681
COVID-19 contributions receivable (Notes 2H and 2I)	120,334	550,600
Prepaid expenses and other assets (Notes 5 and 8)	1,074,427	984,514
Beneficial interest in perpetual trust (Notes 2S, 5 and 13)	651,298	519,897
Capital lease assets and improvements, net (Note 9)	6,039,529	6,408,348
Property and equipment, net (Notes 2J and 10)	105,333	112,700
 TOTAL ASSETS	 \$ 40,512,646	 \$ 45,472,498
 LIABILITIES		
Accounts payable and accrued expenses, net (Note 2K)	\$ 2,480,215	\$ 2,471,438
Campaign donor designations payable (Note 2G)	1,405,349	766,754
Government contract awards payable (Note 2M)	11,646,417	17,363,314
Government contract advances (Note 2Q)	-	1,499,675
Paycheck Protection Program refundable advance (Note 15)	-	175,134
Deferred rent liability (Notes 2N and 14B)	597,571	624,734
Unfunded pension liability (Notes 2O and 11)	672,056	1,185,367
Post-retirement life insurance liability (Notes 2O and 12)	2,509,988	2,597,046
Capital lease obligations (Note 9)	8,264,558	7,784,431
Capital lease improvements loan payable (Note 9)	2,150,083	2,197,087
 TOTAL LIABILITIES	 29,726,237	 36,664,980
 COMMITMENTS AND CONTINGENCIES (Note 14)		
 NET ASSETS (Note 2B)		
Without Donor Restrictions:		
Operations	9,574,110	7,532,885
Board designated	489,473	489,473
Net investment in property and equipment	105,333	112,700
Unfunded pension liability	(672,056)	(1,185,367)
Post-retirement life insurance liability	(2,509,988)	(2,597,046)
Net investment in capital lease obligation	(4,375,112)	(3,573,170)
Total net assets without donor restrictions	2,611,760	779,475
Net assets with donor restrictions (Note 13)	8,174,649	8,028,043
 TOTAL NET ASSETS	 10,786,409	 8,807,518
 TOTAL LIABILITIES AND NET ASSETS	 \$ 40,512,646	 \$ 45,472,498

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, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

	Year Ended June 30, 2021			Total 2020
	Without Donor Restrictions	With Donor Restrictions	Total 2021	
OPERATING REVENUE AND SUPPORT (Note 2C):				
Campaigns	\$ 12,847,964	\$ -	\$ 12,847,964	\$ 18,298,048
Less: Donor designations	(7,770,634)	-	(7,770,634)	(12,809,018)
Less: Provision for uncollectible receivables	(467,698)	-	(467,698)	(615,533)
Campaign results, net (Notes 2G and 6)	<u>4,609,632</u>	<u>-</u>	<u>4,609,632</u>	<u>4,873,497</u>
Special events revenue	2,228,350	-	2,228,350	2,252,237
Less: direct expenses	(9,435)	-	(9,435)	(81,083)
Special events, net (Note 2P)	<u>2,218,915</u>	<u>-</u>	<u>2,218,915</u>	<u>2,171,154</u>
Government grants/contracts (Note 2Q)	34,545,822	-	34,545,822	26,068,774
Individual contributions	643,455	-	643,455	857,983
Private grants and foundation giving	148,343	8,474,715	8,623,058	2,251,299
COVID-19 contributions (Note 2H)	-	380,000	380,000	7,696,955
Fiscally sponsored funds	-	1,475,680	1,475,680	1,388,282
In-kind contributions (Note 2P)	102,824	-	102,824	118,454
Campaign administrative fees	58,548	-	58,548	66,538
Investment return used for operations (Note 4)	235,081	114,762	349,843	378,236
Rental income	256,116	-	256,116	106,715
Other income	155,047	-	155,047	63,630
Net assets released from restrictions (Note 13)	<u>10,817,296</u>	<u>(10,817,296)</u>	<u>-</u>	<u>-</u>
TOTAL OPERATING REVENUE AND SUPPORT	<u>53,791,079</u>	<u>(372,139)</u>	<u>53,418,940</u>	<u>46,041,517</u>
OPERATING EXPENSES:				
Program Services:				
Community investment grants and awards (Note 2L)	7,402,846	-	7,402,846	5,431,686
Contract services and other grants	31,383,661	-	31,383,661	24,045,302
Community investment services	6,549,911	-	6,549,911	5,053,398
Total Program Services	<u>45,336,418</u>	<u>-</u>	<u>45,336,418</u>	<u>34,530,386</u>
Supporting Services:				
Management and general	4,328,250	-	4,328,250	4,683,460
Fundraising	3,842,829	-	3,842,829	4,794,300
Total Supporting Services	<u>8,171,079</u>	<u>-</u>	<u>8,171,079</u>	<u>9,477,760</u>
TOTAL OPERATING EXPENSES	<u>53,507,497</u>	<u>-</u>	<u>53,507,497</u>	<u>44,008,146</u>
SURPLUS (DEFICIT) OF OPERATING REVENUE AND SUPPORT OVER (UNDER) OPERATING EXPENSES	<u>283,582</u>	<u>(372,139)</u>	<u>(88,557)</u>	<u>2,033,371</u>
NON-OPERATING ACTIVITIES				
Investment return over (under) amounts appropriated for operations (Note 4)	665,303	387,344	1,052,647	(149,739)
Change in value of beneficial interest in perpetual trust (Note 13)	-	131,401	131,401	(10,219)
Forgiveness of debt (Note 9)	177,550	-	177,550	290,542
Paycheck Protection Program grant (Note 15)	175,134	-	175,134	1,080,859
Pension plan related changes other than net periodic pension cost (Note 11)	421,599	-	421,599	(746,367)
Post-retirement life insurance plan related changes (Note 12)	109,117	-	109,117	(111,044)
TOTAL NON-OPERATING ACTIVITIES	<u>1,548,703</u>	<u>518,745</u>	<u>2,067,448</u>	<u>354,032</u>
CHANGES IN TOTAL NET ASSETS	1,832,285	146,606	1,978,891	2,387,403
Net assets, beginning of year	<u>779,475</u>	<u>8,028,043</u>	<u>8,807,518</u>	<u>6,420,115</u>
NET ASSETS - END OF YEAR	<u>\$ 2,611,760</u>	<u>\$ 8,174,649</u>	<u>\$ 10,786,409</u>	<u>\$ 8,807,518</u>

**UNITED WAY OF NEW YORK CITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total 2020
OPERATING REVENUE AND SUPPORT (Note 2C):			
Campaigns	\$ 18,298,048	\$ -	\$ 18,298,048
Less: Donor designations	(12,809,018)	-	(12,809,018)
Less: Provision for uncollectible receivables	(615,533)	-	(615,533)
Campaign results, net (Notes 2G and 6)	4,873,497	-	4,873,497
Special events revenue	2,252,237	-	2,252,237
Less: direct expenses	(81,083)	-	(81,083)
Special events, net (Note 2P)	2,171,154	-	2,171,154
Government grants/contracts (Note 2Q)	26,068,774	-	26,068,774
Individual contributions	736,917	121,066	857,983
Private grants and foundation giving	-	2,251,299	2,251,299
COVID-19 contributions (Note 2H)	-	7,696,955	7,696,955
Fiscally sponsored funds	-	1,388,282	1,388,282
In-kind contributions (Note 2P)	118,454	-	118,454
Campaign administrative fees	66,538	-	66,538
Investment return used for operations (Note 4)	254,417	123,819	378,236
Rental income	106,715	-	106,715
Other income	63,630	-	63,630
Net assets released from restrictions (Note 13)	8,369,710	(8,369,710)	-
TOTAL OPERATING REVENUE AND SUPPORT	42,829,806	3,211,711	46,041,517
OPERATING EXPENSES:			
Program Services:			
Community investment grants and awards (Note 2L)	5,431,686	-	5,431,686
Contract services and other grants	24,045,302	-	24,045,302
Community investment services	5,053,398	-	5,053,398
Total Program Services	34,530,386	-	34,530,386
Supporting Services:			
Management and general	4,683,460	-	4,683,460
Fundraising	4,794,300	-	4,794,300
Total Supporting Services	9,477,760	-	9,477,760
TOTAL OPERATING EXPENSES	44,008,146	-	44,008,146
SURPLUS (DEFICIT) OF OPERATING REVENUE AND SUPPORT OVER (UNDER) OPERATING EXPENSES	(1,178,340)	3,211,711	2,033,371
NON-OPERATING ACTIVITIES			
Investment return under amounts appropriated for operations (Note 4)	(106,233)	(43,506)	(149,739)
Change in value of beneficial interest in perpetual trust (Note 13)	-	(10,219)	(10,219)
Forgiveness of debt (Note 9)	290,542	-	290,542
Paycheck Protection Program grant (Note 15)	1,080,859	-	1,080,859
Pension plan related changes other than net periodic pension cost (Note 11)	(746,367)	-	(746,367)
Post-retirement life insurance plan related changes (Note 12)	(111,044)	-	(111,044)
TOTAL NON-OPERATING ACTIVITIES	407,757	(53,725)	354,032
CHANGES IN TOTAL NET ASSETS	(770,583)	3,157,986	2,387,403
Net assets, beginning of year	1,550,058	4,870,057	6,420,115
NET ASSETS - END OF YEAR	\$ 779,475	\$ 8,028,043	\$ 8,807,518

UNITED WAY OF NEW YORK CITY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

	Year Ended June 30, 2021			Total Supporting Services	Total 2021	Total 2020
	Supporting Services					
	Program Services	Management and General	Fundraising			
Grants, contracts and awards						
Community investment grants and awards	\$ 7,402,846	\$ -	\$ -	\$ -	\$ 7,402,846	\$ 5,431,686
Contract services and other grants	31,383,661	-	-	-	31,383,661	24,045,302
	<u>38,786,507</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,786,507</u>	<u>29,476,988</u>
Personnel						
Salaries	3,190,704	1,554,579	1,784,022	3,338,601	6,529,305	6,267,680
Payroll taxes and benefits (Notes 11 and 12)	685,987	406,027	347,176	753,203	1,439,190	1,385,183
	<u>3,876,691</u>	<u>1,960,606</u>	<u>2,131,198</u>	<u>4,091,804</u>	<u>7,968,495</u>	<u>7,652,863</u>
Office, occupancy and professional fees						
Office maintenance and general supplies	29,148	37,949	11,404	49,353	78,501	121,013
Expensed equipment and rentals	174,320	211,528	61,915	273,443	447,763	346,209
Dues and subscriptions	9,354	31,873	32,823	64,696	74,050	105,846
Travel and transportation	846	7,767	494	8,261	9,107	39,753
Telephone	18,046	11,735	6,555	18,290	36,336	27,944
Insurance	128,959	38,053	44,396	82,449	211,408	176,652
Occupancy (Note 9)	1,044,250	308,139	359,496	667,635	1,711,885	1,448,524
Professional fees (Note 2P)	180,533	1,340,670	480,952	1,821,622	2,002,155	1,892,504
	<u>1,585,456</u>	<u>1,987,714</u>	<u>998,035</u>	<u>2,985,749</u>	<u>4,571,205</u>	<u>4,158,445</u>
Events and promotion						
Special events marketing and communication	-	-	320,335	320,335	320,335	596,099
Catering and entertainment	-	-	9,436	9,436	9,436	81,083
General promotion	6,000	-	9,642	9,642	15,642	27,546
Meetings, seminars and training	452	17,010	1,369	18,379	18,831	93,423
Postage and shipping	14,149	9,304	5,649	14,953	29,102	32,327
	<u>20,601</u>	<u>26,314</u>	<u>346,431</u>	<u>372,745</u>	<u>393,346</u>	<u>830,478</u>
Other expenses						
Depreciation and amortization (Note 10)	2,526	39,462	10,087	49,549	52,075	117,156
Amortization of capital lease assets (Note 9)	224,980	66,387	77,452	143,839	368,819	366,433
Interest expense	372,511	109,921	128,241	238,162	610,673	631,295
Bad debt expense	-	467,698	-	467,698	467,698	615,533
Dues paid to national and state organizations	467,146	137,846	160,821	298,667	765,813	855,571
	<u>1,067,163</u>	<u>821,314</u>	<u>376,601</u>	<u>1,197,915</u>	<u>2,265,078</u>	<u>2,585,988</u>
Less: Provision for uncollectible receivables	-	467,698	-	467,698	467,698	615,533
Less: Cost of direct benefits to donors	-	-	9,436	9,436	9,436	81,083
TOTAL EXPENSES	<u>\$ 45,336,418</u>	<u>\$ 4,328,250</u>	<u>\$ 3,842,829</u>	<u>\$ 8,171,079</u>	<u>\$ 53,507,497</u>	<u>\$ 44,008,146</u>

UNITED WAY OF NEW YORK CITY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	Year Ended June 30, 2020				Total 2020
	Supporting Services			Total Supporting Services	
	Program Services	Management and General	Fundraising		
Grants, contracts and awards					
Community investment grants and awards	\$ 5,431,686	\$ -	\$ -	\$ -	\$ 5,431,686
Contract services and other grants	<u>24,045,302</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,045,302</u>
	<u>29,476,988</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,476,988</u>
Personnel					
Salaries	2,659,831	1,772,173	1,835,676	3,607,849	6,267,680
Payroll taxes and benefits (Notes 11 and 12)	<u>548,011</u>	<u>478,105</u>	<u>359,067</u>	<u>837,172</u>	<u>1,385,183</u>
	<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>
Office, occupancy and professional fees					
Office maintenance and general supplies	16,838	94,205	9,970	104,175	121,013
Expensed equipment and rentals	51,067	207,474	87,668	295,142	346,209
Dues and subscriptions	7,475	43,041	55,330	98,371	105,846
Travel and transportation	4,714	26,030	9,009	35,039	39,753
Telephone	9,735	9,224	8,985	18,209	27,944
Insurance	85,747	43,633	47,272	90,905	176,652
Occupancy (Note 9)	703,114	357,785	387,625	745,410	1,448,524
Professional fees (Note 2P)	<u>189,800</u>	<u>1,183,328</u>	<u>519,376</u>	<u>1,702,704</u>	<u>1,892,504</u>
	<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>
Events and promotion					
Special events marketing and communication	-	-	596,099	596,099	596,099
Catering and entertainment	-	-	81,083	81,083	81,083
General promotion	4,385	-	23,161	23,161	27,546
Meetings, seminars and training	10,728	69,136	13,559	82,695	93,423
Postage and shipping	<u>9,538</u>	<u>11,519</u>	<u>11,270</u>	<u>22,789</u>	<u>32,327</u>
	<u>24,651</u>	<u>80,655</u>	<u>725,172</u>	<u>805,827</u>	<u>830,478</u>
Other expenses					
Depreciation and amortization (Note 10)	75,765	28,297	13,094	41,391	117,156
Amortization of capital lease assets (Note 9)	179,025	88,713	98,695	187,408	366,433
Interest expense	297,899	169,165	164,231	333,396	631,295
Bad debt expense	-	615,533	-	615,533	615,533
Dues paid to national and state organizations	<u>199,726</u>	<u>101,632</u>	<u>554,213</u>	<u>655,845</u>	<u>855,571</u>
	<u>752,415</u>	<u>1,003,340</u>	<u>830,233</u>	<u>1,833,573</u>	<u>2,585,988</u>
Less: Provision for uncollectible receivables	-	615,533	-	615,533	615,533
Less: Cost of direct benefits to donors	<u>-</u>	<u>-</u>	<u>81,083</u>	<u>81,083</u>	<u>81,083</u>
TOTAL EXPENSES	<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>

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, 2021 AND 2020**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 1,978,891	\$ 2,387,403
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	52,075	117,156
Amortization of capital lease assets	368,819	366,433
Pension related changes other than net periodic pension cost	(530,716)	857,411
Change in value of beneficial interest in perpetual trust	(131,401)	10,219
Change in discount on private grants and contributions receivable	(22,910)	7,429
Change in value of capital lease assets and improvements	-	328,365
Forgiveness of debt	177,550	290,542
Change in value of capital lease obligation	436,127	(307,411)
Provision for uncollectible campaign receivables	(467,698)	(615,533)
Net realized and unrealized gain on investments	(1,311,770)	(146,652)
	548,967	3,295,362
Sub-total		
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Campaign receivables	1,039,748	2,008,831
Government grants/contracts receivable	6,418,992	(9,998,751)
Private grants and contributions receivable	(2,776,815)	59,760
COVID-19 contributions receivable	430,266	(550,600)
Prepaid expenses and other assets	(89,913)	233,076
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	8,777	229,712
Campaign donor designations payable	638,595	450,934
Government contract awards payable	(5,716,897)	8,033,249
Government contract advances	(1,499,675)	1,499,675
Paycheck Protection Program refundable advance	(175,134)	175,134
Deferred rent liability	(27,163)	(27,164)
Unfunded pension and post-retirement life insurance liability	(69,653)	45,220
	(1,269,905)	5,454,438
Net Cash (Used in) Provided by Operating Activities	(1,269,905)	5,454,438
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(1,744,720)	(2,815,813)
Proceeds from sales of investments	1,653,955	2,733,785
Purchases of property and equipment	(44,708)	(53,321)
	(135,473)	(135,349)
Net Cash Used in Investing Activities	(135,473)	(135,349)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments of capital lease obligations	(133,550)	(133,550)
Payments of loan payable	(47,004)	(44,272)
	(180,554)	(177,822)
Net Cash Used in Financing Activities	(180,554)	(177,822)
NET (DECREASE) INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(1,585,932)	5,141,267
Cash, cash equivalents and restricted cash - beginning of year	7,152,761	2,011,494
	\$ 5,566,829	\$ 7,152,761
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	\$ 5,566,829	\$ 7,152,761
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	\$ -	\$ 189,403
SUPPLEMENTAL NON-CASH ACTIVITIES:		
Change in present value of capital lease assets and improvements	\$ -	\$ 328,365
Forgiveness of debt by lender	\$ 177,550	\$ 290,542

**UNITED WAY OF NEW YORK CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

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, 2021 AND 2020**

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:

	2021	2020
Cash and cash equivalents	\$ 4,243,698	\$ 6,801,302
Restricted cash	1,323,131	351,459
Total	\$ 5,566,829	\$ 7,152,761

- 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 contributions revenue until the conditions are substantially met.

UNITED WAY OF NEW YORK CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 COVID-19 contributions receivable amounted to \$120,334 and \$550,600, respectively, as of June 30, 2021 and 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, private grants and contributions, and COVID-19 contributions receivable. Such estimates are 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, 2021 and 2020, UWNYP determined an allowance of \$343,058 and \$348,815, respectively, was necessary for campaign receivables and no allowance was necessary for government grants/contracts receivable and COVID-19 contributions receivable. As of June 30, 2021 and 2020, UWNYP determined that an allowance of \$0 and \$18,618, respectively, was necessary for uncollectible private grants 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 of write offs.
- 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, 2021 and 2020, UWNYP determined a reserve of \$300,004 and \$167,642, respectively, was necessary due to ongoing negotiations with United Way Worldwide ("UWW") concerning the ultimate disposition of annual fees charged for the years ended June 30, 2021 and 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 liability in the accompanying statements of financial position.
- O. ***Unfunded Pension and Post-Retirement Life Insurance Liability*** – UWNYP (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.

UNITED WAY OF NEW YORK CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2021 and 2020, UWNYP recorded income and expense for contributed goods and services of \$102,824 and \$118,454, respectively. Such contributed goods and services are reflected in the financial statements as follows:

	2021	2020
Special events marketing and communication	\$ 40,776	\$ 64,532
Contract services and other grants	12,904	-
Professional fees	49,144	53,922
	\$ 102,824	\$ 118,454

Q. ***Revenue from Government Sources*** – UWNYP 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, 2021 and 2020, UWNYP was awarded conditional grants and contracts from government agencies in the aggregate amounts of \$10,632,489 and \$5,524,675, respectively, that have not been recorded in the accompanying financial statements, as they have not been earned. These grants and contracts require UWNYP 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 UWNYP may be required to return the funds already remitted.

R. ***Bequests and Legacies*** – UWNYP recognizes bequests and legacies as support when the wills have passed probate and the sum is certain.

S. ***Beneficial Interest in Trust*** – UWNYP is one of the six equal beneficiaries in a trust in which investment assets are held in perpetuity by a third-party trustee. UWNYP 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 \$131,401 and \$(10,219) for the years ended June 30, 2021 and 2020, respectively, and is included in the statements of activities. As of June 30, 2021 and 2020, beneficial interest in perpetual trust amounted to \$651,298 and \$519,897, 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, 2021 AND 2020**

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.

NOTE 3 – LIQUIDITY AND AVAILABILITY

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

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 4,243,698	\$ 6,801,302
Campaign receivables, net	1,518,184	2,090,234
Government grants/contracts receivable	13,708,408	20,127,400
Investments	7,583,898	6,181,363
COVID-19 contributions receivable	120,334	550,600
Private grants and contributions receivable	<u>4,144,406</u>	<u>1,344,681</u>
 Total financial assets	 31,318,928	 37,095,580
 Less: Investments held for endowments	 (2,407,420)	 (2,020,076)
Less: Private grants and contributions receivable due in more than one year	(1,500,000)	(155,000)
Add: Distributions from beneficial interests in assets held by others	18,561	21,000
Add: Endowment spending - rate distributions and appropriations	<u>114,762</u>	<u>123,819</u>
	<u>\$27,544,831</u>	<u>\$ 35,065,323</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 \$3,000,000 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 \$2,407,420 is subject to an annual spending rate of five 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, 2021 AND 2020**

NOTE 4 – INVESTMENTS

Investments consist of the following as of June 30:

	<u>2021</u>	<u>2020</u>
Cash and money market funds	\$ 141,575	\$ 98,994
Fixed income	2,599,190	2,528,462
Equities	4,766,532	3,490,474
Commodities	76,601	63,433
	<u>\$ 7,583,898</u>	<u>\$ 6,181,363</u>

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

	<u>2021</u>	<u>2020</u>
Dividends and interest	\$ 90,720	\$ 81,845
Realized and unrealized gains	1,311,770	146,652
Total return on investments	<u>\$ 1,402,490</u>	<u>\$ 228,497</u>
Investment return used for current operations	\$ 349,843	\$ 378,236
Investment return over (under) spending rate	1,052,647	(149,739)
	<u>\$ 1,402,490</u>	<u>\$ 228,497</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 \$55,162 and \$46,861 for the years ended June 30, 2021 and 2020, 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 the 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, 2021 AND 2020**

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, 2021 and 2020 there were no transfers in or out of levels 1 or 2.

Financial assets carried at fair value as of June 30, 2021 are classified in the table as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
FINANCIAL ASSETS AT FAIR VALUE				
Cash and money market funds	\$ 141,575	\$ -	\$ -	\$ 141,575
Fixed income	-	2,599,190	-	2,599,190
Equities	4,766,532	-	-	4,766,532
Commodities	<u>76,601</u>	<u>-</u>	<u>-</u>	<u>76,601</u>
	4,984,708	2,599,190	-	7,583,898
Beneficial interest in trusts	-	-	651,298	651,298
Cash surrender value - Insurance contract (see Note 8)	<u>-</u>	<u>922,406</u>	<u>-</u>	<u>922,406</u>
TOTAL FINANCIAL ASSETS AT FAIR VALUE	<u>\$ 4,984,708</u>	<u>\$ 3,521,596</u>	<u>\$ 651,298</u>	<u>\$ 9,157,602</u>

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

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, 2021 and 2020. UWNYC 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, UWNYC will have the ability to direct the trustee to redeem them.

**UNITED WAY OF NEW YORK CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

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, 2019	\$ 530,116
Total 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	519,897
Total gains recognized in the change in net assets with donor restrictions – change in value of perpetual trusts	<u>131,401</u>
Balance – June 30, 2021	<u>\$ 651,298</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 UWNYC 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 UWNYC 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, UWNYC pays out to the specified beneficiary as intended by the donor. The processing of designated funds is considered an agency transaction and recorded as an increase in campaign revenue and a corresponding increase in donor designations.

For the years ended June 30, 2021 and 2020, such donor-designated funds amounted to \$7,770,634 and \$12,809,018, 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, 2021 and 2020 amounted to \$467,698 and \$615,533, respectively.

Regional Campaign - UWNYC 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>2021</u>	<u>2020</u>
Local campaign	\$ 1,861,242	\$ 2,439,049
Less: allowance for doubtful accounts	<u>(343,058)</u>	<u>(348,815)</u>
	<u>\$ 1,518,184</u>	<u>\$ 2,090,234</u>

**UNITED WAY OF NEW YORK CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

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>2021</u>	<u>2020</u>
Less than one year	\$ 2,669,017	\$ 1,210,000
One year to five years	<u>1,500,000</u>	<u>155,000</u>
	4,169,017	1,365,000
Less: allowance for doubtful accounts	-	(18,618)
Less: present value discount, of 1.01%	<u>(24,611)</u>	<u>(1,701)</u>
	<u>\$ 4,144,406</u>	<u>\$ 1,344,681</u>

NOTE 8 – PREPAID EXPENSES AND OTHER ASSETS

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

	<u>2021</u>	<u>2020</u>
Cash surrender value - insurance	\$ 922,406	\$ 893,706
Prepaid and other assets	<u>152,021</u>	<u>90,808</u>
	<u>\$ 1,074,427</u>	<u>\$ 984,514</u>

UWNYC is the beneficiary of an insurance contract from a donor with a face amount of \$800,000. As of June 30, 2021 and 2020, the cash surrender value of the insurance contract amounted to \$922,406 and \$893,706, 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 42nd 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 in July 2014. The loan payable amounted to \$2,150,083 and \$2,197,087 as of June 30, 2021 and 2020, respectively.

**UNITED WAY OF NEW YORK CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 9 – CAPITAL LEASE ASSETS AND IMPROVEMENTS (Continued)

Future minimum principal and interest payments on the loan payable are as follows for the years ending after June 30, 2021:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	63,401	114,149	177,550
2027-2043	<u>1,867,835</u>	<u>1,091,332</u>	<u>2,959,167</u>
	<u>\$ 2,150,083</u>	<u>\$ 1,696,834</u>	<u>\$ 3,846,917</u>

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 of rent credits as a reduction of occupancy expense for the year ended June 30, 2020.

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. UWNYC recognized \$177,550 and \$290,542 as forgiveness of debt for the years ended June 30, 2021 and 2020, respectively. In addition, the present value of the minimum lease payments for the condominium was recalculated using 6% rate based on the revised lease payments during the year ended June 30, 2020. The capitalized leasehold condominium asset amounted to \$5,734,502 as of both June 30, 2021 and 2020. The revised present value of the minimum lease payments amounted to \$8,264,558 and \$7,784,431 as of June 30, 2021 and 2020, respectively.

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

	<u>2021</u>	<u>2020</u>	<u>Lease Term</u>
Leasehold condominium	\$ 5,734,502	\$ 5,734,502	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	9,059,669	
Less: accumulated depreciation and amortization	<u>(3,020,140)</u>	<u>(2,651,321)</u>	
	<u>\$ 6,039,529</u>	<u>\$ 6,408,348</u>	

Future minimum cash payments (principal and interest) are as follows for the years ending after June 30, 2021:

	<u>Capital Lease</u>
2022	\$ 320,520
2023	320,520
2024	336,798
2025	515,864
2026	515,864
2027-2043	<u>15,249,870</u>
Total minimum lease payments	17,259,436
Less: amount representing interest	<u>(8,994,878)</u>
Present value of minimum lease payments	<u>\$ 8,264,558</u>

**UNITED WAY OF NEW YORK CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 10 – PROPERTY AND EQUIPMENT, NET

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

	<u>2021</u>	<u>2020</u>	<u>Estimated Useful Lives</u>
Equipment, furniture and fixtures	\$ 219,824	\$ 175,116	3-10 years
Less: accumulated depreciation	<u>(114,491)</u>	<u>(62,416)</u>	
Net book value	<u>\$ 105,333</u>	<u>\$ 112,700</u>	

Depreciation expense amounted to \$52,075 and \$117,156 for the years ended June 30, 2021 and 2020, respectively.

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, 2021 and 2020, \$175,434 and \$166,968 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 is as follows:

	<u>2021</u>	<u>2020</u>
Change in benefit obligation:		
Benefit obligation at beginning of year	\$ 22,059,402	\$ 19,454,574
Interest costs	561,600	649,620
Actual (gain) loss	(338,124)	2,932,358
Expense paid	(159,821)	(125,100)
Benefits paid	<u>(870,496)</u>	<u>(852,050)</u>
Benefit obligation at end of year	21,252,561	22,059,402
Fair value of plan assets	<u>20,580,505</u>	<u>20,874,035</u>
Unfunded liability	<u>\$ (672,056)</u>	<u>\$ (1,185,367)</u>

The components of net periodic credit for the years ended June 30, 2021 and 2020, included in payroll taxes and benefits on the statements of functional expenses in, are as follows:

	<u>2021</u>	<u>2020</u>
Interest costs	\$ 561,600	\$ 649,620
Expected return on plan assets	(860,720)	(786,860)
Amortization of actuarial loss	<u>158,908</u>	<u>100,213</u>
Net periodic credit	<u>\$ (140,212)</u>	<u>\$ (37,027)</u>

UNITED WAY OF NEW YORK CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 11 – PENSION PLANS (Continued)

Net periodic credit 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, 2021 and 2020. The net periodic credit is recorded in payroll taxes and benefits as a credit to operating expenses. The credit was \$(140,212) and \$(37,027) for the years ended June 30, 2021 and 2020, 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, 2021 and 2020, the amounts recognized were \$421,599 and \$(746,367), respectively.

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

	<u>2021</u>	<u>2020</u>
Actuarial loss	\$ (3,283,667)	\$ (3,656,766)

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

	<u>2021</u>	<u>2020</u>
Net actuarial gain (loss)	\$ 373,099	\$ (796,367)

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

	<u>2021</u>	<u>2020</u>
Discount rate	2.75%	2.62%
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 are as follows:

	<u>2021</u>	<u>2020</u>
<u>AXA Equitable Life Insurance Company</u>		
Guarantee Account	\$ 9,962	\$ 13,635
<u>Wells Fargo</u>		
Cash and cash equivalents	167,764	106,151
Mutual Funds:		
Fixed Income Funds	18,375,029	18,707,858
Equity Funds	<u>2,027,750</u>	<u>2,046,391</u>
	<u>\$ 20,580,505</u>	<u>\$ 20,874,035</u>

As of June 30, 2021 and 2020, 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, 2021 and 2020 and does not expect to make contributions for the fiscal year ended June 30, 2022.

**UNITED WAY OF NEW YORK CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 11 – PENSION PLANS (Continued)

The projected benefit payments are as follows:

Years Ending June 30,		
2022	\$	1,296,003
2023		992,965
2024		1,076,508
2025		1,076,836
2026		1,106,884
2027-2030		<u>5,715,867</u>
	\$	<u>11,265,063</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 is as follows:

	<u>2021</u>	<u>2020</u>
Change in benefit obligation:		
Benefit obligation at beginning of year	\$ 2,597,046	\$ 2,453,755
Interest costs	59,608	77,788
Actuarial (gain) loss	(109,117)	111,044
Benefits paid	<u>(37,549)</u>	<u>(45,541)</u>
Benefit obligation at end of year	2,509,988	2,597,046
Fair value of plan assets	-	-
Unfunded liability	<u>\$ (2,509,988)</u>	<u>\$ (2,597,046)</u>

The components of net periodic benefit cost for the years ended June 30, 2021 and 2020 include interest costs of \$59,608 and \$77,788, 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. For the years ended June 30, 2021 and 2020, the net Life Insurance Plan related changes were \$109,117 and \$(111,044), respectively.

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

	<u>2021</u>	<u>2020</u>
Actuarial gain	<u>\$ (353,839)</u>	<u>\$ (244,722)</u>

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

	<u>2021</u>	<u>2020</u>
Discount rate	2.53%	2.41%
Rate of compensation increase	N/A	N/A

**UNITED WAY OF NEW YORK CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

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

The projected benefit payments are as follows:

Years Ending June 30,		
2022	\$	120,603
2023		127,391
2024		133,907
2025		139,928
2026		145,521
2027-2030		<u>789,377</u>
	\$	<u>1,456,727</u>

NOTE 13 – NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2021</u>	<u>2020</u>
Subject to expenditures for specified purpose or passage of time:		
Various community impact programs	\$ 4,154,875	\$ 854,365
COVID-19	92,192	3,046,953
Change Capital Fund	825,975	1,363,452
Unappropriated endowment earnings	535,786	148,442
Other time and purpose restricted	<u>42,889</u>	<u>223,300</u>
Subtotal	<u>5,651,717</u>	<u>5,636,512</u>
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	<u>544,591</u>	<u>544,591</u>
	<u>1,871,634</u>	<u>1,871,634</u>
Beneficial interest in perpetual trust	<u>651,298</u>	<u>519,897</u>
	<u>\$ 8,174,649</u>	<u>\$ 8,028,043</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 the 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, 2021 and 2020, 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, 2021 AND 2020**

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, 2021 are as follows:

	Unappropriated Earnings	Endowment Principal	Total
Endowment net assets, beginning of year	\$ 148,442	\$ 1,871,634	\$ 2,020,076
Investment Activity:			
Interest and dividends	39,722	-	39,722
Unrealized and realized gain on investments	462,384	-	462,384
Total investment activity	502,106	-	502,106
Amount appropriated	(114,762)	-	(114,762)
Endowment net assets, end of year	\$ 535,786	\$ 1,871,634	\$ 2,407,420

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

	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

**UNITED WAY OF NEW YORK CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 13 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Endowment net assets of \$2,407,420 and \$2,020,076 are included with investments on the statements of financial position as of June 30, 2021 and 2020, 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 UWNYC 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 UWNYC 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, 2021 and 2020.

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, 2021:

	<u>Equipment</u>
2022	\$ 104,605
2023	90,637
2024	39,853
2025	<u>1,897</u>
	<u>\$ 236,992</u>

Rent expense amounted to \$123,589 and \$89,467, respectively, for the years ended June 30, 2021 and 2020.

B. UWNYC 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 \$597,571 and \$624,734 is included in the statements of financial position related to the straight-lining of the ground lease as of June 30, 2021 and 2020, respectively. During 2020, UWNYC 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 \$256,116 and \$106,715 during the years ended June 30, 2021 and 2020, respectively.

Minimum annual payments for the years ended after June 30, 2021, are as follows:

	<u>Ground Rent</u>
2022	\$ 918,605
2023	918,605
2024	918,605
2025	918,605
2026	918,605
2027-2043	<u>15,616,285</u>
	<u>\$ 20,209,310</u>

C. On July 9, 2019, UWNYC 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 The London Inter-Bank Offered Rate plus 2.5%. As of June 30, 2021 and June 30, 2020, there were no borrowings from the line.

D. UWNYC 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, 2021 AND 2020**

NOTE 14 – COMMITMENTS AND CONTINGENCIES (Continued)

- E. UWNYPC believes it has no uncertain tax positions as of June 30, 2021 and 2020 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. At the time of this writing, the COVID-19 pandemic conditions have vastly improved due to increased vaccination rates. However, overall the pandemic continues to impact everyday life in the New York area, the United States, and the world at large. UWNYPC 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 UWNYPC serves, UWNYPC 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.

UWNYPC’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, 2021, UWNYPC’s COVID-19 Community Fund raised more than \$17 million. Support came from a wide array of sources including over \$16.5 million in corporate, employee, and government partnerships and over \$500,000 in support from individuals. As a result of UWNYPC’s efforts, 2.3 million people received food benefits; 1.2 million pounds of food and an additional 250,000 meals were distributed; 8,543 households received critical housing support; 1,200 individuals received workforce development training or employment assistance; over \$3 million dollars were provided to help families make utility, rent and mortgage payments; over 11,000 students were supported to stay engaged in school or summer learning programs; 3,700 staff persons of non-profits around New York City received critical PPE (personal protective equipment); and over 1,700 individual advocacy action steps were taken.

As New Yorkers continue to get vaccinated, pandemic conditions are gradually improving. However, the ultimate extent of the pandemic’s impact on UWNYPC’s mission, financial condition, and results of operations remains to be seen. As a result of this uncertainty, UWNYPC cannot predict with complete confidence the extent to which its financial condition and results of operations in fiscal 2022 and beyond 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 Security 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. UWNYPC 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, 2021 AND 2020**

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 statements of activities. As of June 30, 2020, \$175,134 was recorded as a refundable advance until the conditions are substantially met.

During the year ended June 30, 2021, UWNYP has met the performance obligations and recorded the remaining \$175,134 as grant income in the accompanying statements of activities. Subsequent to year end, UWNYP was notified by the lender that the PPP loan was fully forgiven on August 12, 2021.

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 \$5,316,000 and \$6,913,000 at one bank as of June 30, 2021 and 2020, respectively.

NOTE 17 – RELATED-PARTY TRANSACTIONS

Subsequent to the close of FY 2021, UWNYP entered into a contract with D. Fraser Associates, LLC (“DFA”), to support the implementation of the Choose Healthy Life (“CHL”) initiative, which is funded by the Federal government’s Health Resources and Services Administration (“HRSA”). The owner of DFA is an immediate family member of UWNYP’s President & Chief Executive Officer (“CEO”), thereby creating a conflict of interest in the contracting between the parties. During the year ended June 30, 2021, \$5,000 was paid to FDA under the contract.

Among other actions taken to document and manage the conflict of interest, UWNYP has: (1) engaged its Board of Directors as required by UWNYP’s Conflicts of Interest Policy to review and approve the transaction; (2) developed and implemented a Conflict of Interest Mitigation and Monitoring Plan to mitigate organizational conflict of interest issues associated with this relationship, including by establishing a series of comprehensive protocols to “firewall” the CEO from various aspects of CHL program implementation and all decision-making related to the DFA contract; and (3) disclosed the conflicted nature of the transaction to HRSA and obtained HRSA authorization to enter into the contract.

In addition, UWNYP will engage a third-party auditor to review various aspects of contract performance and fiscal administration of the DFA/UWNYP contract to ensure compliance with UWNYP’s stated policies and procedures, and also adherence to various aspects of the above mentioned conflicts of interest mitigation approvals and strategy.

NOTE 18 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the statement of financial position through February 23, 2022, the date the financial statements were available to be issued.