

**UNITED WAY OF NEW YORK CITY**



**United Way  
of New York City**

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

**Years Ended June 30, 2024 and 2023**

**UNITED WAY OF NEW YORK CITY  
FINANCIAL STATEMENTS  
(Together with Independent Auditors' Report)  
YEARS ENDED JUNE 30, 2024 AND 2023**

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## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
United Way of New York City  
New York, NY

### **Opinion**

We have audited the financial statements of United Way of New York City ("UWNYC"), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of UWNYC as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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

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

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

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits 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 UWNYC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about UWNYC's ability to continue as a going concern for a reasonable period of time.

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

*CBIZ CPAs P.C.*

New York, NY  
March 6, 2025

**UNITED WAY OF NEW YORK CITY  
STATEMENTS OF FINANCIAL POSITION  
AS OF JUNE 30, 2024 AND 2023**

	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
Cash and cash equivalents (Notes 2D and 16A)	\$ 5,605,510	\$ 2,621,216
Restricted cash (Notes 2D and 16A)	261,506	1,509,346
Investments (Notes 2E, 2F, 4 and 5)	7,955,686	7,199,010
Campaign receivables, net (Notes 2G, 2I and 6)	993,276	1,416,032
Government grants/contracts receivable (Note 2I)	39,930,039	17,836,835
Private grants and contributions receivable, net (Notes 2H, 2I and 7)	1,400,142	3,189,330
Prepaid expenses and other assets (Notes 5 and 8)	1,179,616	1,103,682
Beneficial interest in perpetual trust (Notes 2Q, 5 and 14)	648,311	583,046
Finance lease right-of-use assets (Notes 2T and 9)	2,759,406	2,883,338
Operating lease right-of-use asset (Notes 2T and 10)	12,484,785	12,931,090
Property and equipment, net (Notes 2J and 11)	252,562	286,780
<b>TOTAL ASSETS</b>	<b>\$ 73,470,839</b>	<b>\$ 51,559,705</b>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses, net	\$ 9,436,179	\$ 5,279,685
Government advances (Note 2O)	17,571,855	-
Campaign donor designations payable (Note 2G)	921,785	869,785
Government contract awards payable (Note 2L)	10,647,493	7,591,358
Lease reconveyance liability (Note 9)	636,391	918,798
Capital lease improvements loan payable (Note 9)	1,083,291	1,113,896
Finance lease liability (Notes 2T and 9)	5,250,578	5,086,587
Operating lease liability (Notes 2T and 10)	13,000,867	13,474,335
Unfunded pension liability (Notes 2M and 12)	1,337,466	1,110,160
Post-retirement life insurance liability (Notes 2O and 13)	1,815,968	1,869,208
<b>TOTAL LIABILITIES</b>	<b>61,701,873</b>	<b>37,313,812</b>
<b>COMMITMENTS AND CONTINGENCIES</b> (Note 15)		
<b>NET ASSETS</b> (Note 2B)		
Without Donor Restrictions:		
Operations	12,071,403	13,006,517
Board designated	549,473	549,473
Net investment in property and equipment	252,562	286,780
Unfunded pension liability	(1,337,466)	(1,110,160)
Post-retirement life insurance liability	(1,815,968)	(1,869,208)
Net investment in capital lease obligation	(3,574,463)	(3,317,145)
Total net assets without donor restrictions	6,145,541	7,546,257
Net assets with donor restrictions (Note 14)	5,623,425	6,699,636
<b>TOTAL NET ASSETS</b>	<b>11,768,966</b>	<b>14,245,893</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 73,470,839</b>	<b>\$ 51,559,705</b>

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, 2024**  
(With Comparative Totals for the Year Ended June 30, 2023)

	Year Ended June 30, 2024			Total 2023
	Without Donor Restrictions	With Donor Restrictions	Total 2024	
<b>OPERATING REVENUE AND SUPPORT (Note 2C):</b>				
Campaigns	\$ 9,468,169	\$ -	\$ 9,468,169	\$ 10,511,124
Campaign administrative fees	18,950	-	18,950	34,107
Less: Donor designations	(5,434,165)	-	(5,434,165)	(5,650,739)
Less: Provision for uncollectible receivables	(294,324)	-	(294,324)	(613,124)
Campaign results, net (Notes 2G and 6)	<u>3,758,630</u>	<u>-</u>	<u>3,758,630</u>	<u>4,281,368</u>
Special events revenue	3,253,812	-	3,253,812	3,112,671
Less: direct expenses	(459,610)	-	(459,610)	(263,445)
Special events, net (Note 2N)	<u>2,794,202</u>	<u>-</u>	<u>2,794,202</u>	<u>2,849,226</u>
Government grants/contracts (Note 2O)	64,639,293	-	64,639,293	46,050,314
Individual, private grants and contributions (Note 2H)	665,505	1,093,991	1,759,496	2,187,845
Fiscally sponsored funds	-	1,965,000	1,965,000	2,181,065
Emergency Assistance & Community Needs fund contributions	-	17,979	17,979	783,280
In-kind contributions (Note 2N)	101,951	-	101,951	397,931
Investment return used for operations (Note 4)	346,383	-	346,383	329,291
Other income	129,472	-	129,472	333,404
Net assets released from restrictions (Note 14)	4,523,510	(4,523,510)	-	-
<b>TOTAL OPERATING REVENUE AND SUPPORT</b>	<u>76,958,946</u>	<u>(1,446,540)</u>	<u>75,512,406</u>	<u>59,393,724</u>
<b>OPERATING EXPENSES:</b>				
<b>Program Services:</b>				
Community investment grants and awards (Note 2K)	5,945,043	-	5,945,043	8,722,333
Contract services and other grants	52,058,666	-	52,058,666	33,866,216
Community investment services	11,373,651	-	11,373,651	10,739,460
<b>Total Program Services</b>	<u>69,377,360</u>	<u>-</u>	<u>69,377,360</u>	<u>53,328,009</u>
<b>Supporting Services:</b>				
Management and general	5,874,577	-	5,874,577	5,159,091
Fundraising	2,966,154	-	2,966,154	3,987,577
<b>Total Supporting Services</b>	<u>8,840,731</u>	<u>-</u>	<u>8,840,731</u>	<u>9,146,668</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>78,218,091</u>	<u>-</u>	<u>78,218,091</u>	<u>62,474,677</u>
<b>OPERATING REVENUE AND SUPPORT UNDER OPERATING EXPENSES</b>	<u>(1,259,145)</u>	<u>(1,446,540)</u>	<u>(2,705,685)</u>	<u>(3,080,953)</u>
<b>NON-OPERATING ACTIVITIES</b>				
Investment return over amounts appropriated for operations (Note 4)	117,856	305,064	422,920	317,608
Change in value of beneficial interest in perpetual trust (Notes 2Q and 14)	-	65,265	65,265	34,017
Net periodic pension cost (Note 12)	(414,637)	-	(414,637)	(380,514)
Pension plan related changes other than net periodic pension credit (Note 12)	187,331	-	187,331	557,334
Net periodic post-retirement cost (Note 13)	(85,361)	-	(85,361)	(89,940)
Post-retirement life insurance plan related changes other than net post-retirement cost (Note 13)	53,240	-	53,240	352,386
<b>TOTAL NON-OPERATING ACTIVITIES</b>	<u>(141,571)</u>	<u>370,329</u>	<u>228,758</u>	<u>790,891</u>
<b>CHANGES IN TOTAL NET ASSETS</b>	<u>(1,400,716)</u>	<u>(1,076,211)</u>	<u>(2,476,927)</u>	<u>(2,290,062)</u>
Net assets, beginning of year	<u>7,546,257</u>	<u>6,699,636</u>	<u>14,245,893</u>	<u>16,535,955</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 6,145,541</u>	<u>\$ 5,623,425</u>	<u>\$ 11,768,966</u>	<u>\$ 14,245,893</u>

**UNITED WAY OF NEW YORK CITY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total 2023</b>
<b>OPERATING REVENUE AND SUPPORT (Note 2C):</b>			
Campaigns	\$ 10,511,124	\$ -	\$ 10,511,124
Campaign administrative fees	34,107	-	34,107
Less: Donor designations	(5,650,739)	-	(5,650,739)
Less: Provision for uncollectible receivables	(613,124)	-	(613,124)
Campaign results, net (Notes 2G and 6)	4,281,368	-	4,281,368
Special events revenue	3,112,671	-	3,112,671
Less: direct expenses	(263,445)	-	(263,445)
Special events, net (Note 2N)	2,849,226	-	2,849,226
Government grants/contracts (Note 2O)	46,050,314	-	46,050,314
Individual, private grants and contributions (Note 2H)	672,248	1,515,597	2,187,845
Fiscally sponsored funds	-	2,181,065	2,181,065
Emergency Assistance & Community Needs fund contributions	-	783,280	783,280
In-kind contributions (Note 2N)	397,931	-	397,931
Investment return used for operations (Note 4)	208,108	121,183	329,291
Other income	333,404	-	333,404
Net assets released from restrictions (Note 14)	10,690,829	(10,690,829)	-
<b>TOTAL OPERATING REVENUE AND SUPPORT</b>	<b>65,483,428</b>	<b>(6,089,704)</b>	<b>59,393,724</b>
<b>OPERATING EXPENSES:</b>			
<b>Program Services:</b>			
Community investment grants and awards (Note 2K)	8,722,333	-	8,722,333
Contract services and other grants	33,866,216	-	33,866,216
Community investment services	10,739,460	-	10,739,460
<b>Total Program Services</b>	<b>53,328,009</b>	<b>-</b>	<b>53,328,009</b>
<b>Supporting Services:</b>			
Management and general	5,159,091	-	5,159,091
Fundraising	3,987,577	-	3,987,577
<b>Total Supporting Services</b>	<b>9,146,668</b>	<b>-</b>	<b>9,146,668</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>62,474,677</b>	<b>-</b>	<b>62,474,677</b>
<b>OPERATING REVENUE AND SUPPORT OVER (UNDER) OPERATING EXPENSES</b>	<b>3,008,751</b>	<b>(6,089,704)</b>	<b>(3,080,953)</b>
<b>NON-OPERATING ACTIVITIES</b>			
Investment return over amounts appropriated for operations (Note 4)	206,406	111,202	317,608
Change in value of beneficial interest in perpetual trust (Notes 2Q and 14)	-	34,017	34,017
Net periodic pension cost (Note 12)	(380,514)	-	(380,514)
Pension plan related changes other than net periodic pension credit (Note 12)	557,334	-	557,334
Net periodic post-retirement cost (Note 13)	(89,940)	-	(89,940)
Post-retirement life insurance plan related changes other than net post-retirement cost (Note 13)	352,386	-	352,386
<b>TOTAL NON-OPERATING ACTIVITIES</b>	<b>645,672</b>	<b>145,219</b>	<b>790,891</b>
<b>CHANGES IN TOTAL NET ASSETS</b>	<b>3,654,423</b>	<b>(5,944,485)</b>	<b>(2,290,062)</b>
Net assets, beginning of year	3,891,834	12,644,121	16,535,955
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 7,546,257</b>	<b>\$ 6,699,636</b>	<b>\$ 14,245,893</b>

**UNITED WAY OF NEW YORK CITY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2024**  
**(With Comparative Totals for the Year Ended June 30, 2023)**

	Year Ended June 30, 2024					Total 2023
	Supporting Services			Total Supporting Services	Total 2024	
	Program Services	Management and General	Fundraising			
<b>Grants, contracts and awards</b>						
Community investment grants and awards (Note 2K)	\$ 5,945,043	\$ -	\$ -	\$ -	\$ 5,945,043	\$ 8,722,333
Contract services and other grants	52,058,666	-	-	-	52,058,666	33,866,216
	<u>58,003,709</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,003,709</u>	<u>42,588,549</u>
<b>Personnel</b>						
Salaries	6,195,193	3,181,481	1,495,393	4,676,874	10,872,067	10,294,009
Payroll taxes and benefits (Notes 12 and 13)	1,526,687	579,341	416,087	995,428	2,522,115	2,364,740
	<u>7,721,880</u>	<u>3,760,822</u>	<u>1,911,480</u>	<u>5,672,302</u>	<u>13,394,182</u>	<u>12,658,749</u>
<b>Office, occupancy and professional fees</b>						
Office maintenance and general supplies	125,310	30,896	15,449	46,345	171,655	151,474
Expensed equipment and rentals	373,697	76,235	46,072	122,307	496,004	558,055
Dues and subscriptions	14,866	28,544	16,219	44,763	59,629	94,188
Travel and transportation	19,651	16,280	2,674	18,954	38,605	33,112
Telephone	1,661	31,159	910	32,069	33,730	34,419
Insurance	278,687	68,717	34,359	103,076	381,763	379,720
Occupancy (Note 9)	759,397	180,458	93,624	274,082	1,033,479	1,016,671
Professional fees (Note 2N)	1,553,657	393,024	191,547	584,571	2,138,228	2,396,672
	<u>3,126,926</u>	<u>825,313</u>	<u>400,854</u>	<u>1,226,167</u>	<u>4,353,093</u>	<u>4,664,311</u>
<b>Events and promotion</b>						
Special events marketing and communication	-	-	535,051	535,051	535,051	883,672
Catering and entertainment	-	-	459,610	459,610	459,610	263,445
General promotion	9,834	-	23,448	23,448	33,282	11,627
Meetings, seminars and training	31,549	185,119	7,568	192,687	224,236	250,606
Postage and shipping	6,979	17,074	6,806	23,880	30,859	24,733
Printing and distribution	-	-	-	-	-	2,701
	<u>48,362</u>	<u>202,193</u>	<u>1,032,483</u>	<u>1,234,676</u>	<u>1,283,038</u>	<u>1,436,784</u>
<b>Other expenses</b>						
Depreciation and amortization (Note 11)	57,425	14,362	7,080	21,442	78,867	69,719
Amortization of capital lease assets (Note 9)	145,877	46,106	17,985	64,091	209,968	474,093
Interest expense	273,181	69,956	33,680	103,636	376,817	414,881
Bad debt expense	-	742,649	-	742,649	742,649	670,636
Dues paid to national and state organizations	-	507,500	22,202	529,702	529,702	373,524
	<u>476,483</u>	<u>1,380,573</u>	<u>80,947</u>	<u>1,461,520</u>	<u>1,938,003</u>	<u>2,002,853</u>
Less: Provision for uncollectible receivables -campaign	-	294,324	-	294,324	294,324	613,124
Less: Cost of direct benefits to donors	-	-	459,610	459,610	459,610	263,445
<b>TOTAL EXPENSES</b>	<u>\$ 69,377,360</u>	<u>\$ 5,874,577</u>	<u>\$ 2,966,154</u>	<u>\$ 8,840,731</u>	<u>\$ 78,218,091</u>	<u>\$ 62,474,677</u>

**UNITED WAY OF NEW YORK CITY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Year Ended June 30, 2023				
	Supporting Services				
	Program Services	Management and General	Fundraising	Total Supporting Services	Total 2023
<b>Grants, contracts and awards</b>					
Community investment grants and awards (Note 2K)	\$ 8,722,333	\$ -	\$ -	\$ -	\$ 8,722,333
Contract services and other grants	33,866,216	-	-	-	33,866,216
	<u>42,588,549</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,588,549</u>
<b>Personnel</b>					
Salaries	6,291,097	2,367,958	1,634,954	4,002,912	10,294,009
Payroll taxes and benefits (Notes 12 and 13)	1,758,166	186,095	420,479	606,574	2,364,740
	<u>8,049,263</u>	<u>2,554,053</u>	<u>2,055,433</u>	<u>4,609,486</u>	<u>12,658,749</u>
<b>Office, occupancy and professional fees</b>					
Office maintenance and general supplies	38,453	99,179	13,842	113,021	151,474
Expensed equipment and rentals	306,457	134,975	116,623	251,598	558,055
Dues and subscriptions	14,835	47,833	31,520	79,353	94,188
Travel and transportation	6,289	21,688	5,135	26,823	33,112
Telephone	18,755	12,000	3,664	15,664	34,419
Insurance	275,072	54,600	50,048	104,648	379,720
Occupancy (Note 9)	736,473	146,201	133,997	280,198	1,016,671
Professional fees (Note 2N)	359,900	1,547,196	489,576	2,036,772	2,396,672
	<u>1,756,234</u>	<u>2,063,672</u>	<u>844,405</u>	<u>2,908,077</u>	<u>4,664,311</u>
<b>Events and promotion</b>					
Special events marketing and communication	-	-	883,672	883,672	883,672
Catering and entertainment	-	-	263,445	263,445	263,445
General promotion	5,624	-	6,003	6,003	11,627
Meetings, seminars and training	31,657	198,533	20,416	218,949	250,606
Postage and shipping	11,265	5,234	8,234	13,468	24,733
Printing and distribution	-	-	2,701	2,701	2,701
	<u>48,546</u>	<u>203,767</u>	<u>1,184,471</u>	<u>1,388,238</u>	<u>1,436,784</u>
<b>Other expenses</b>					
Depreciation and amortization (Note 11)	3,461	60,012	6,246	66,258	69,719
Amortization of capital lease assets (Note 9)	343,435	68,173	62,485	130,658	474,093
Interest expense	267,941	98,189	48,751	146,940	414,881
Bad debt expense	-	670,636	-	670,636	670,636
Dues paid to national and state organizations	270,580	53,713	49,231	102,944	373,524
	<u>885,417</u>	<u>950,723</u>	<u>166,713</u>	<u>1,117,436</u>	<u>2,002,853</u>
Less: Provision for uncollectible receivables -campaign	-	613,124	-	613,124	613,124
Less: Cost of direct benefits to donors	-	-	263,445	263,445	263,445
<b>TOTAL EXPENSES</b>	<u>\$ 53,328,009</u>	<u>\$ 5,159,091</u>	<u>\$ 3,987,577</u>	<u>\$ 9,146,668</u>	<u>\$ 62,474,677</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, 2024 AND 2023**

	<b>2024</b>	<b>2023</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Changes in net assets	\$ (2,476,927)	\$ (2,290,062)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	78,867	69,719
Amortization of capital lease assets	209,968	474,093
Pension related changes other than net periodic pension cost	(240,571)	(909,720)
Change in value of beneficial interest in perpetual trust	(65,265)	(34,017)
Change in discount on private grants and contributions receivable	(3,935)	(24,162)
Operating lease right-of-use assets amortization	497,772	559,707
Finance lease right-of-use assets amortization	14,339	-
Change in value of capital lease obligation	280,266	302,102
Provision for uncollectible campaign receivables	294,324	613,124
Provision for uncollectible private grants and contributions receivable	648,889	965,461
Provision for uncollectible government grants/contracts	414,836	-
Net realized and unrealized gain on investments	(639,042)	(502,083)
Sub-total	(986,479)	(775,838)
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Campaign receivables	128,432	(272,591)
Government grants/contracts receivable	(22,508,040)	(5,110,137)
Private grants and contributions receivable	1,144,234	3,197,647
Prepaid expenses and other assets	(75,934)	329,021
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	4,156,494	3,412,812
Government advances	17,571,855	-
Campaign donor designations payable	52,000	80,332
Government contract awards payable	3,056,135	428,934
Lease reconveyance liability	(282,407)	(282,706)
Deferred rent liability	-	(570,408)
Operating lease liability	(524,935)	(16,462)
Unfunded pension and post-retirement life insurance liability	414,637	428,724
<b>Net Cash Provided by Operating Activities</b>	<b>2,145,992</b>	<b>849,328</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of investments	(1,625,241)	(1,176,898)
Proceeds from sales of investments	1,507,607	1,041,844
Purchases of property and equipment	(44,649)	(236,815)
<b>Net Cash Used in Investing Activities</b>	<b>(162,283)</b>	<b>(371,869)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from loan payable	-	3,000,000
Payments of capital lease obligations	(216,650)	(207,793)
Payments of loans payable	(30,605)	(3,028,826)
<b>Net Cash Used in Financing Activities</b>	<b>(247,255)</b>	<b>(236,619)</b>
<b>NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	<b>1,736,454</b>	<b>240,840</b>
Cash, cash equivalents and restricted cash - beginning of year	4,130,562	3,889,722
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR</b>	<b>\$ 5,867,016</b>	<b>\$ 4,130,562</b>
<b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>		
Cash paid for interest	\$ 376,816	\$ 414,881

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

**UNITED WAY OF NEW YORK CITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023**

**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.

**UNITED WAY OF NEW YORK CITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023**

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

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.
- 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. UWNYP 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:

	2024	2023
Cash and cash equivalents	\$ 5,605,510	\$ 2,621,216
Restricted cash	261,506	1,509,346
Total	\$ 5,867,016	\$ 4,130,562

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** – 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, 2024 AND 2023**

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

- I. **Allowance for Credit Loss** – UWNYC determines whether an allowance for uncollectible receivables should be provided for government grants/contracts receivable, campaign, private grants and contributions, and other receivables. 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, 2024 and 2023, UWNYC determined an allowance of \$294,324 and \$335,273, respectively, was necessary for campaign receivables and \$414,836 and \$0, respectively, was necessary for government grants/contracts receivable. In addition, as of June 30, 2024 and 2023, UWNYC determined that an allowance of \$402,558 and \$163,618, 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.
- 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. UWNYC capitalizes property and equipment with a 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. **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 unconditional commitments are made in accordance with the approved budget.
- L. **Government Contract Awards Payable** – UWNYC administers a variety of government-funded programs. Through these programs, UWNYC 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 UWNYC.
- M. **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.
- N. **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, 2024 and 2023, UWNYC recorded income and expense for contributed goods and services of \$101,951 and \$397,931, respectively. Such contributed goods and services are reflected in the financial statements as follows:

<u>Nonfinancial Asset</u>	<u>Revenue Recognized</u>		<u>Program/Activities</u>	<u>Donor Restrictions</u>	<u>Fair Value Techniques</u>
	2024	2023			
Pharmaceuticals and skincare	\$ -	\$ 86,100	Fundraising and special events	No associated donor restrictions	Based on estimates of wholesale values that would be received for selling similar products in the United States
Clothing and household goods	77,020	54,158	Fundraising and special events	No associated donor restrictions	Based on estimates of wholesale values that would be received for selling similar products in the United States
Food	-	1,800	Fundraising and special events	No associated donor restrictions	Based on estimates of wholesale values that would be received for selling similar products in the United States
Donated space	15,000	25,000	Fundraising and special events	No associated donor restrictions	Based on actual value to rent space
Legal services	9,931	230,873	Management and general	No associated donor restrictions	Based on the number of hours worked at pre-determined rates
	<u>\$ 101,951</u>	<u>\$ 397,931</u>			

**UNITED WAY OF NEW YORK CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

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

- O. **Revenue from Government Sources and Government Advances** – 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, 2024 and 2023, UWNYC was awarded conditional grants and contracts from government agencies in the aggregate amounts of \$17,571,885 and \$342,301, 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.

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

- Q. **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 remains part of the trust principal. The change in value of beneficial interest in perpetual trust amounted to \$65,265 and \$34,017 for the years ended June 30, 2024 and 2023, respectively, and is included in the statements of activities. As of June 30, 2024 and 2023, beneficial interest in perpetual trust amounted to \$648,311 and \$583,046, respectively.

- R. **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.

- S. **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.

- T. **Leases** – UWNYC leases real property under financing and operating lease arrangements expiring at various dates in the future. UWNYC follows FASB ASU 2016-02, *Leases* (Topic 842) to report how leases are recognized and disclosed. Leases are included in right-of-use ("ROU") assets and lease liabilities in the statements of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. UWNYC does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

**UNITED WAY OF NEW YORK CITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023**

**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 date, comprised of the following as of June 30:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 5,605,510	\$ 2,621,216
Campaign receivables, net	993,276	1,416,032
Government grants/contracts receivable	39,930,039	17,836,835
Investments	7,955,686	7,199,010
Private grants and contributions receivable	<u>1,400,142</u>	<u>3,189,330</u>
Total financial assets	55,884,653	32,262,423
Less: Investments held for endowments	(2,197,955)	(2,020,498)
Less: Private grants and contributions receivable due in more than one year	(100,000)	(125,000)
Add: Distributions from beneficial interests in assets held by others	5,800	33,581
Add: Endowment spending - actual appropriations (Note 14)	<u>127,607</u>	<u>121,183</u>
	<u>\$ 53,720,105</u>	<u>\$ 30,271,689</u>

As part of UWNYP's liquidity management plan, UWNYP invests cash in excess of daily requirements in short-term investments and money market funds. In addition, UWNYP has a maximum line of credit totaling \$2.5 million with a financial institution (Note 15A), which can be drawn upon if needed.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, UWNYP 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. UWNYP'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.

UWNYP's donor-restricted endowment of \$2,197,955 and \$2,020,498 at June 30, 2024 and 2023, respectively, is subject to an annual spending rate of five percent as described in Note 14. Although UWNYP 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), additional amounts could be made available up to the amounts considered prudent under the New York Prudent management of Institutional Funds Act ("NYPMIFA"), see Note 14.

**NOTE 4 – INVESTMENTS**

Investments consist of the following as of June 30:

	<u>2024</u>	<u>2023</u>
Money market funds	\$ 146,206	\$ 96,038
Other fixed income	2,774,205	2,650,681
Equities	5,035,275	4,379,428
Commodities	<u>-</u>	<u>72,863</u>
	<u>\$ 7,955,686</u>	<u>\$ 7,199,010</u>

**UNITED WAY OF NEW YORK CITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023**

**NOTE 4 – INVESTMENTS (Continued)**

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

	<u>2024</u>	<u>2023</u>
Dividends and interest	\$ 191,162	\$ 197,633
Realized and unrealized gains	<u>639,042</u>	<u>502,083</u>
Total return on investments	830,204	699,716
Investment advisory and custodial fees	<u>(60,901)</u>	<u>(52,817)</u>
Total return on investments	<u>\$ 769,303</u>	<u>\$ 646,899</u>
Investment return used for current operations	\$ 346,383	\$ 329,291
Investment return over spending rate	<u>422,920</u>	<u>317,608</u>
	<u>\$ 769,303</u>	<u>\$ 646,899</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 \$60,901 and \$52,817 for the years ended June 30, 2024 and 2023, 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, fixed income funds, U.S. government bonds, corporate bonds 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 government-sponsored enterprises and cash surrender values related to insurance contracts are valued using quoted prices in inactive markets (Level 2).

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, 2024 and 2023, there were no transfers in or out of levels 1 or 2.

**UNITED WAY OF NEW YORK CITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023**

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

Financial assets carried at fair value as of June 30, 2024 are classified in the table as follows:

	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS AT FAIR VALUE				
Money market funds	\$ 146,206	\$ -	\$ -	\$ 146,206
US government bonds	2,380,835	-	-	2,380,835
Corporate bonds	385,470	-	-	385,470
Government-sponsored enterprises	-	7,900	-	7,900
Equity	<u>5,035,275</u>	<u>-</u>	<u>-</u>	<u>5,035,275</u>
Total	<u>7,947,786</u>	<u>7,900</u>	<u>-</u>	<u>7,955,686</u>
Beneficial interest in trusts	-	-	648,311	648,311
Cash surrender value - insurance contract (see Note 8)	<u>-</u>	<u>1,011,720</u>	<u>-</u>	<u>1,011,720</u>
TOTAL FINANCIAL ASSETS AT FAIR VALUE	<u>\$ 7,947,786</u>	<u>\$ 1,019,620</u>	<u>\$ 648,311</u>	<u>\$ 9,615,717</u>

Financial assets carried at fair value as of June 30, 2023 are classified in the table as follows:

	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS AT FAIR VALUE				
Money market funds	\$ 96,038	\$ -	\$ -	\$ 96,038
US government bonds	2,292,361	-	-	2,292,361
Corporate bonds	309,362	-	-	309,362
Government-sponsored enterprises	-	48,958	-	48,958
Equity	4,379,428	-	-	4,379,428
Commodities	<u>72,863</u>	<u>-</u>	<u>-</u>	<u>72,863</u>
Total	<u>7,150,052</u>	<u>48,958</u>	<u>-</u>	<u>7,199,010</u>
Beneficial interest in trusts	-	-	583,046	583,046
Cash surrender value - insurance contract (see Note 8)	<u>-</u>	<u>981,610</u>	<u>-</u>	<u>981,610</u>
TOTAL FINANCIAL ASSETS AT FAIR VALUE	<u>\$ 7,150,052</u>	<u>\$ 1,030,568</u>	<u>\$ 583,046</u>	<u>\$ 8,763,666</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, 2024 and 2023. 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 not have the ability to direct the trustee to redeem them.

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

Balance - July 1, 2022	\$ 549,029
Total gains or losses recognized in the change in net assets with donor restrictions - Change in value of perpetual trusts	<u>34,017</u>
Balance June 30, 2023	583,046
Total gains or losses recognized in the change in net assets with donor restrictions - Change in value of perpetual trusts	<u>65,265</u>
Balance June 30, 2024	<u>\$ 648,311</u>

**UNITED WAY OF NEW YORK CITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023**

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

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 a third party transaction and recorded as an increase in campaign revenue and a corresponding increase in donor designations.

For the years ended June 30, 2024 and 2023, such donor-designated funds amounted to \$5,434,165 and \$5,650,739, 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, 2024 and 2023 amounted to \$294,324 and \$335,273, respectively.

**Regional Campaign** - UWNYPC and 21 other United Way organizations work in collaboration with a regional office of 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>2024</u>	<u>2023</u>
Local campaign	\$ 1,287,600	\$ 1,751,305
Less: allowance for doubtful accounts	<u>(294,324)</u>	<u>(335,273)</u>
	<u>\$ 993,276</u>	<u>\$ 1,416,032</u>

**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>2024</u>	<u>2023</u>
Less than one year	\$ 1,702,700	\$ 3,231,883
One year to five years	<u>100,000</u>	<u>125,000</u>
	1,802,700	3,356,883
Less: allowance for doubtful accounts	(402,558)	(163,618)
Less: present value discount of 1.01%	<u>-</u>	<u>(3,935)</u>
	<u>\$ 1,400,142</u>	<u>\$ 3,189,330</u>

**UNITED WAY OF NEW YORK CITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023**

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

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

	<u>2024</u>	<u>2023</u>
Cash surrender value - insurance	\$ 1,011,720	\$ 981,610
Prepaid and other assets	<u>167,896</u>	<u>122,072</u>
	<u>\$ 1,129,569</u>	<u>\$ 1,103,682</u>

UWNYC is the beneficiary of an insurance contract from a donor with a face amount of \$800,000. As of June 30, 2024 and 2023, the cash surrender value of the insurance contract amounted to \$1,011,720 and \$981,610, respectively, and is included with prepaid expenses and other assets in the statements of financial position.

**NOTE 9 – FINANCE AND CAPITAL LEASES**

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 was reflected as a capital lease asset and obligation in the statements of financial position prior to the adoption of FASB ASU 2016-02, *Leases*, (Topic 842). In addition, the capital lease assets and improvements amounted to \$1,318,572 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 under Topic 842 (see Note 10). 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. During the year ended June 30, 2022, UWNYC reconveyed one floor of the lease to the seller, which resulted in a reduction of the loan balance. The loan payable amounted to \$1,083,291 and \$1,113,896 as of June 30, 2024 and 2023, respectively.

Future minimum principal and interest payments on the loan payable are as follows for the years ending after June 30, 2024:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 32,493	\$ 64,113	\$ 96,606
2026	34,497	62,109	96,606
2027	36,624	59,982	96,606
2028	38,883	57,723	96,606
2029	41,282	55,325	96,607
2029-2043	<u>899,512</u>	<u>420,773</u>	<u>1,320,285</u>
	<u>\$ 1,083,291</u>	<u>\$ 720,025</u>	<u>\$ 1,803,316</u>

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**NOTE 9 – FINANCE AND CAPITAL LEASES (Continued)**

Effective August 31, 2021, UWNYC reconveyed a floor of the capital lease by entering a Purchase and Sale Agreement (“Purchase and Sale Agreement”) for Reconveyance and agreed to pay a “Reconveyance Fee” in the amount of \$23,559 per month for the next 60 months. As of June 30, 2024 and 2023, the liability for the reconveyance fee amounted to \$636,391 and \$918,798, respectively.

In addition, UWNYC leases certain office equipment under long-term non-cancelable finance lease agreement expiring August 30, 2028. UWNYC assesses whether an arrangement qualifies as a lease at inception and only reassesses its determination if the terms and conditions of the arrangement are changed.

The weighted-average remaining lease term is 4.17 years, and the weighted-average discount rate is 4.38%.

The finance lease right-of-use assets amounted to \$2,759,406 and \$2,883,338 as of June 30, 2024 and 2023, respectively. The lease liabilities amounted to \$5,250,578 and \$5,086,587 as of June 30, 2024 and 2023, respectively.

Finance lease right-of-use assets consist of the following as of June 30:

	<u>2024</u>	<u>2023</u>	<u>Lease Term</u>
Leasehold condominium	\$ 3,096,631	\$ 3,096,631	30 years
Leasehold condominium improvements	1,318,572	1,318,572	30 years
Furniture	883,367	883,367	10 years
Office equipment	<u>71,697</u>	<u>-</u>	
Total cost	5,370,267	5,298,570	
Less: accumulated depreciation and amortization	<u>(2,610,861)</u>	<u>(2,415,232)</u>	
	<u>\$ 2,759,406</u>	<u>\$ 2,883,338</u>	

Future minimum cash payments (principal and interest) are as follows for the years ending after June 30, 2024:

	<u>Finance Lease</u>
2025	\$ 333,174
2026	333,174
2027	333,174
2028	333,174
2029	328,435
2030-2043	<u>7,909,034</u>
	9,570,065
Less: Present value discount	<u>(4,319,487)</u>
Finance lease liabilities	<u>\$ 5,250,578</u>

**NOTE 10 – OPERATING LEASES**

UWNYC entered into a ground lease agreement as part of the capital lease transaction as discussed in Note 9, expiring in 2043. In addition, UWNYC leases various equipment at various lease terms under long-term non-cancelable operating leases, expiring at various dates through 2027. During the year ended June 30, 2024, UWNYC renewed an equipment lease that expires in 2027.

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**NOTE 10 – OPERATING LEASES (Continued)**

As of June 30, 2024 and 2023, the operating lease ROU assets had a balance of \$ \$12,484,785 and \$12,931,090, as shown in the statements of financial position; the lease liabilities totaled \$13,000,867 and \$13,474,335, as shown in the statements of financial position. The operating ROU assets and lease liabilities were calculated utilizing the discount rate of 3.34% and 2.84% for the years ended June 30, 2024 and 2023, respectively.

Total operating lease costs for the year ended June 30, 2024 was \$975,747. Total cash paid by UWNYP in the determination of the lease liabilities was \$1,002,909 for the year ended June 30, 2024. For the year ended June 30, 2024, the weighted average of the remaining lease term is 20 years, and the weighted average discount rate is 3.35%.

Future minimal rental payments under these leases for the years ending subsequent to June 30, 2024 are as follows:

	2025	\$	938,718
	2026		936,821
	2027		932,267
	2029		918,605
	2029		918,605
	Thereafter		12,860,472
			17,505,488
Less: Present value discount			(4,504,621)
Operating lease liability		\$	13,000,867

**NOTE 11 – PROPERTY AND EQUIPMENT, NET**

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

	2024	2023	Estimated Useful Lives
Equipment, furniture and fixtures	\$ 568,882	\$ 524,233	3-10 years
Less: accumulated depreciation	(316,320)	(237,453)	
Net book value	\$ 252,562	\$ 286,780	

Depreciation expense amounted to \$78,867 and \$69,719 for the years ended June 30, 2024 and 2023, respectively. During the year ended June 30, 2023, UWNYP wrote off \$5,612 of fully depreciated fixed assets that were no longer in service.

**NOTE 12 – PENSION PLANS**

UWNYP sponsored a 403(b) thrift plan (“403(b) Plan”) for all employees. This Plan was terminated as of December 31, 2013 and a 401(k) Plan was created effective January 1, 2014. Employer contributions to the Plan are discretionary. Effective December 1, 2023, UWNYP established a supplemental defined contribution plan to the 401(k) Plan for the senior executives’ employer contributions. For the years ended June 30, 2024 and 2023, \$260,879 and \$249,189, respectively, was contributed to the 401(k) Plan and the supplemental defined contribution plan.

UWNYP 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. UWNYP’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.

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**NOTE 12 – PENSION PLANS (Continued)**

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

	2024	2023
Change in benefit Obligation:		
Benefit obligation at beginning of year	\$ 16,277,669	\$ 17,440,804
Interest cost	792,979	771,141
Actual gain	(88,912)	(820,252)
Expense charges	(88,582)	(65,655)
Benefits paid	(927,477)	(1,048,369)
Benefit obligation at end of year	15,965,677	16,277,669
Fair value of plan assets	14,628,211	15,167,509
Funded status (unfunded liability)	\$ (1,337,466)	\$ (1,110,160)

The decrease in unfunded liability during the year ended June 30, 2024 was impacted by the increase in discount rate.

The components of net periodic cost for the years ended June 30, 2024 and 2023 are as follows:

	2024	2023
Interest costs	\$ 792,979	\$ 771,141
Expected return on plan assets	(652,442)	(696,456)
Amortization of actuarial loss	274,100	305,829
Net periodic cost	\$ 414,637	\$ 380,514

Net periodic 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 4.50% for each of the years ended June 30, 2024 and 2023. The cost was \$414,637 and \$380,514 for the years ended June 30, 2024 and 2023, 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, 2024 and 2023, the amounts recognized were \$187,332 and \$557,334, respectively.

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

	2024	2023
Actuarial loss	\$ (3,348,179)	\$ (3,535,511)

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

	2024	2023
Net actuarial gain	\$ 187,331	\$ 557,334

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

	2024	2023
Discount rate	5.45%	5.08%
Expected return of plan assets	4.50%	4.50%
Rate of compensation increase	N/A	N/A

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**NOTE 12 – PENSION PLANS (Continued)**

Pension Plan assets as of June 30 are as follows:

	2024	2023
<u>AXA Equitable Life Insurance Company</u>		
Guarantee Account	\$ 4,104	\$ 7,600
<u>Principal</u>		
Cash and cash equivalents	123,921	173,012
Mutual Funds:		
Fixed Income Funds	13,009,760	13,425,794
Equity Funds	1,490,426	1,561,103
	\$ 14,628,211	\$ 15,167,509

As of June 30, 2024 and 2023, 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, 2024 and 2023 and does not expect to make contributions for the fiscal year ending June 30, 2025.

The projected benefit payments are as follows:

Years Ending June 30,	
2025	\$ 1,465,253
2026	1,162,514
2027	1,165,359
2028	1,196,997
2029	1,249,358
2030-2034	5,863,352
	\$ 12,102,833

Preservation of capital is of prime importance and within the stated investment objectives for the Pension Plan's assets. Risks, including excess volatility in the value of plan assets, should be minimized. UWNYP has elected to incorporate a dynamic approach to asset allocation for the Pension Plan, so as the funded status improves, the percentage allocation to a liability driven investment strategy will increase. This should reduce the overall volatility of the Pension Plan's funded status and increase the correlation between the plan assets and liabilities.

The Plan invests primarily in a diversified portfolio of fixed income securities. The asset allocation guidelines are based on the funded status of the pension plan.

**NOTE 13 – POST-RETIREMENT LIFE INSURANCE PLAN**

UWNYP 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 UWNYP's employees may have become eligible for those benefits if they reached normal retirement age while working for UWNYP.

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**NOTE 13 – POST-RETIREMENT LIFE INSURANCE PLAN (Continued)**

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

	2024	2023
Change in benefit Obligation:		
Benefit obligation at beginning of year	\$ (1,869,208)	\$ (2,173,384)
Interest cost	(85,362)	(89,940)
Actual gain	97,728	352,386
Benefits paid	40,874	41,730
Benefit obligation at end of year	(1,815,968)	(1,869,208)
Fair value of plan assets	-	-
Funded status (unfunded liability)	\$ (1,815,968)	\$ (1,869,208)

The decrease in benefit obligation during the year ended June 30, 2023 was impacted by the increase in discount rate. The components of net periodic benefit cost for the years ended June 30, 2024 and 2023 include interest costs of \$85,362 and \$89,940, respectively. 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, 2024 and 2023, the net Life Insurance Plan related changes were \$53,240 and \$352,386, respectively.

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

	2024	2023
Actuarial gain	\$ (1,010,078)	\$ (1,004,644)

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

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

	2024	2023
Discount rate	5.36%	4.99%
Rate of compensation increase	N/A	N/A

The projected benefit payments are as follows:

Years Ending June 30,		
2025	\$	165,245
2026		167,451
2027		168,785
2028		169,260
2029		168,898
2030-2034		803,888
	\$	1,643,527

**UNITED WAY OF NEW YORK CITY  
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JUNE 30, 2024 AND 2023**

**NOTE 14 – NET ASSETS WITH DONOR RESTRICTIONS**

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

	<u>2024</u>	<u>2023</u>
Subject to expenditures for specified purpose or passage of time:		
Various community impact programs	\$ 940,355	\$ 2,065,723
Emergency Assistance and Community Needs	-	81,582
Change Capital Fund	1,640,898	1,902,722
Unappropriated endowment earnings	326,321	148,864
Other time and purpose restricted	<u>195,906</u>	<u>46,065</u>
Subtotal	<u>3,103,480</u>	<u>4,244,956</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>648,311</u>	<u>583,046</u>
	<u>\$ 5,623,425</u>	<u>\$ 6,699,636</u>

For the years ended June 30, 2024 and 2023, respectively, net assets with donor restrictions of \$4,523,510 and \$10,690,829 were released from restrictions by incurring expenses satisfying the restricted purposes or passage of time. Details of the amounts released from restrictions for the years ended June 30, are as follows:

	<u>2024</u>	<u>2023</u>
Various community impact programs	\$ 1,919,517	\$ 7,786,176
Change Capital Fund	2,226,825	1,948,376
Emergency Assistance and Community Needs	99,561	785,094
Appropriated endowment earnings	127,607	121,183
Other time and purpose restricted	<u>150,000</u>	<u>50,000</u>
	<u>\$ 4,523,510</u>	<u>\$ 10,690,829</u>

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, 2024 and 2023, UWNYC reported all earnings on endowment funds as net assets with donor restrictions until appropriated by the Board for operations.

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.

**UNITED WAY OF NEW YORK CITY  
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JUNE 30, 2024 AND 2023**

**NOTE 14 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

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, 2024 are as follows:

	Unappropriated Earnings	Endowment Principal	Total
Endowment net assets, beginning of year	\$ 148,864	\$ 1,871,634	\$ 2,020,498
Investment activity:			
Interest and dividends	68,529	-	68,529
Unrealized and realized gain on investments	236,535	-	236,535
Total Investment activity	305,064	-	305,064
Amount appropriated	(127,607)	-	(127,607)
Endowment net assets, end of year	<u>\$ 326,321</u>	<u>\$ 1,871,634</u>	<u>\$ 2,197,955</u>

Changes in endowment net assets for the year ended June 30, 2023 are as follows:

	Unappropriated Earnings	Endowment Principal	Total
Endowment net assets, beginning of year	\$ 37,662	\$ 1,871,634	\$ 1,909,296
Investment activity:			
Interest and dividends	62,289	-	62,289
Unrealized and realized gain on investments	170,096	-	170,096
Total Investment activity	232,385	-	232,385
Amount appropriated	(121,183)	-	(121,183)
Endowment net assets, end of year	<u>\$ 148,864</u>	<u>\$ 1,871,634</u>	<u>\$ 2,020,498</u>

Endowment net assets of \$2,197,955 and of \$2,020,498 are included with investments on the statements of financial position as of June 30, 2024 and 2023, 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, 2024 and 2023.

**UNITED WAY OF NEW YORK CITY  
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**NOTE 15 – COMMITMENTS AND CONTINGENCIES**

- A. On July 9, 2019, UWNYPC 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 based on the UBS Variable Rate, plus 2.25%, which amounted to 8.057% at June 30, 2024. As of June 30, 2024 and 2023, there were no borrowings from the line.
- B. UWNYPC 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.
- C. UWNYPC believes it has no uncertain tax positions as of June 30, 2024 and 2023 in accordance with FASB Accounting Standards Codification (“ASC”) Topic 740, “Income Taxes,” which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

**NOTE 16 – CONCENTRATION**

- A. Cash, cash equivalents and restricted cash that potentially subject UWNYPC 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 \$6,857,000 and \$3,897,000 at one bank as of June 30, 2024 and 2023, respectively.
- B. UWNYPC received grants from various government agencies totaling \$65,054,129 and \$46,050,314, respectively, which represent 86% and 78% of total operating revenue and support during the years ended June 30, 2024 and 2023. For the year ended June 30, 2024, government contracts revenue from three funders represented 83% of total government grants and contracts revenue, and 85% total government contract revenues receivable. For the year ended June 30, 2023, government contracts revenue from two funders represented 76% for both total government grants and contracts revenue and total government contract revenue receivable, respectively.

**NOTE 17 – RELATED-PARTY TRANSACTIONS**

Pursuant to Section 2.03 of the Purchase and Sale Agreement (Note 9), “Connected Systems,” UWNYPC was responsible for separating certain connected electrical connections and technology systems infrastructure that ran to the 13th floor. In 2023, UWNYPC management was provided with approximately one month’s notice that work on the Connected Systems would need to be completed by a date certain. Considering the limited amount of time available to complete the work, management contacted Board Members to get assistance in developing a plan of action to meet UWNYPC’s obligations under the Purchase and Sale Agreement. It was agreed that Structure Tone, the company that provided construction management and related services during the original buildout of the space, was best suited to complete the separation work. A Board member is the Chief Executive Officer of STO Building Group, the parent company of Structure Tone. Consistent with UWNYPC’s Conflicts of Interest Policy, management sought and received Board approval to proceed with the transaction.

**NOTE 18 – SUBSEQUENT EVENTS**

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the statement of financial position through March 6, 2025, the date the financial statements were available to be issued.

The current political and economic climate, influenced by federal policies, presents an uncertain environment for future donor contributions and grant funding. UWNYPC is exploring diversified funding strategies and other financial management practices.