UNITED WAY OF THE GREATER CAPITAL REGION, INC.
AND
STATE EMPLOYEES FEDERATED APPEAL

Combined Financial Statements as of
June 30, 2020
Together with
Independent Auditor's Report

Bonadio & Co., LLP
Certified Public Accountants

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Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

October 26, 2020

To the Board of Directors of
United Way of the Greater Capital Region, Inc. and State Employees Federated Appeal:

Report on the Financial Statements
We have audited the accompanying combined financial statements of United Way of the Greater Capital Region, Inc. (a New York State not-for-profit corporation) and State Employees Federated Appeal (collectively referred to as the Organization), which comprise the combined statement of financial position as of June 30, 2020, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements.

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

Auditor's Responsibility
Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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INDEPENDENT AUDITOR'S REPORT
(Continued)

Opinion
In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of United Way of the Greater Capital Region, Inc. and State Employees Federated Appeal as of June 30, 2020, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principles
As described in Note 2 to the combined financial statements United Way of the Greater Capital Region, Inc. and State Employees Federated Appeal implemented Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, and ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, and the effects have been included in these financial statements. Our opinion is not modified with respect to these matters.

Correction of an error
As described in Note 12 to the combined financial statements, an error resulting in an understatement of net assets previously reported as of June 30, 2019 was discovered during 2020. Accordingly, amounts reported between the organizations as well as designations payable have been restated in the 2019 information now presented. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information
We have previously audited the United Way of the Greater Capital Region, Inc. and State Employees Federated Appeal's 2019 combined financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated December 18, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

Report on Combining Information
Our audit was conducted for the purpose of forming an opinion on the combined financial statements of United Way of the Greater Capital Region, Inc. and State Employees Federated Appeal as a whole. The combining information presented in Schedules I and II is presented for the purposes of additional analysis of the combined financial statements rather than to present the financial position and results of activities of the individual companies, and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT
(Continued)

The 2019 supplementary information is presented for purposes of additional analysis of the combined financial statements rather than to present the financial position and results of activities of the individual companies, and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2019 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of those combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2019 supplementary information is fairly stated in all material respects in relation to the combined financial statements from which it has been derived.

Bonadio & Co., LLP

UNITED WAY OF THE GREATER CAPITAL REGION, INC. AND STATE EMPLOYEES FEDERATED APPEAL

COMBINED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020
(With Comparative Totals for 2019)

	2020	(Restated) 2019
ASSETS		
Cash and cash equivalents	$ 1,361,115	$ 807,636
Investments	3,898,088	3,800,342
Pledges receivable, net	1,699,856	1,611,477
Other receivables	220,353	330,098
Prepaid expenses and other assets	-	49,750
Property and equipment, net	208,651	240,711
Beneficial interest in perpetual trust	475,499	480,632
	$ 7,863,562	$ 7,320,646
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	$ 107,427	$ 156,562
Grants and investments payable	901,551	918,300
Due to designated agencies	1,155,330	893,705
Payment protection program loan	277,963	-
Total liabilities	2,442,271	1,968,567
NET ASSETS:		
Without donor restrictions -		
Undesignated	1,555,108	1,402,262
Board designated	3,214,694	3,355,647
Total without donor restrictions	4,769,802	4,757,909
With donor restrictions	651,489	594,170
Total net assets	5,421,291	5,352,079
	$ 7,863,562	$ 7,320,646

The accompanying notes are an integral part of these statements.

UNITED WAY OF THE GREATER CAPITAL REGION, INC. AND STATE EMPLOYEES FEDERATED APPEAL

COMBINED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020
(With Comparative Totals for 2019)

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	2020 Total	(Restated) 2019 Total
SUPPORT, REVENUE AND GAINS:				
Support -				
Contributions received	$ 4,439,931	$ -	$ 4,439,931	$ 4,060,504
Contributions received - COVID	346,549	-	346,549	-
Less: Donor designations	(2,005,252)	-	(2,005,252)	(1,419,152)
Allowance for uncollectible pledges	(338,950)	-	(338,950)	(432,705)
Subtotal	2,442,278	-	2,442,278	2,208,647
Grants	296,788	-	296,788	308,811
Contributed goods and services	298,392	-	298,392	219,254
Legacies and bequests	37,340	-	37,340	28,055
Sponsorships	-	68,844	68,844	-
Events	138,613	-	138,613	204,625
Total support	3,213,411	68,844	3,282,255	2,969,392
Revenue and gains -				
Federated campaign income	219,887	-	219,887	243,243
Contract revenue	35,232	-	35,232	204,872
Donor designated service fees	22,080	-	22,080	26,067
Interest and dividends	107,100	-	107,100	108,157
Rental revenue	47,800	-	47,800	46,400
(Loss) gain on investments	(111,319)	-	(111,319)	114,685
Miscellaneous	4,423	-	4,423	9,128
Net assets released from donor restrictions	6,392	(6,392)	-	-
(Loss) gain on net assets with donor restrictions	-	(5,133)	(5,133)	905
Total revenue and gains	331,595	(11,525)	320,070	753,457
Total support, revenue, and gains	3,545,006	57,319	3,602,325	3,722,849
EXPENSES:				
Program services:				
Community impact	1,926,014	-	1,926,014	1,934,430
SEFA	262,336	-	262,336	303,699
Total program services	2,188,350	-	2,188,350	2,238,129
Supporting services:				
Management and general	394,756	-	394,756	424,244
Fundraising	950,007	-	950,007	1,008,066
Total supporting services	1,344,763	-	1,344,763	1,432,310
Total expenses	3,533,113	-	3,533,113	3,670,439
CHANGE IN NET ASSETS	11,893	57,319	69,212	52,410
NET ASSETS - beginning of year, as previously stated	4,757,909	594,170	5,352,079	5,136,974
PRIOR PERIOD ADJUSTMENT	-	-	-	162,695
NET ASSETS - beginning of year, as restated	4,757,909	594,170	5,352,079	5,299,669
NET ASSETS - end of year	$ 4,769,802	$ 651,489	$ 5,421,291	$ 5,352,079

The accompanying notes are an integral part of these statements.

UNITED WAY OF THE GREATER CAPITAL REGION, INC. AND
STATE EMPLOYEES FEDERATED APPEAL

COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020
(With Comparative Totals for 2019)

	Community Impact	SEFA	Management and General	Fundraising	2020 Total	(Restated) 2019 Total
Salaries and payroll taxes	$ 133,328	$ -	$ 228,627	$ 494,438	$ 856,393	$ 933,061
Retirement expenses	8,871	-	8,775	32,810	50,456	58,016
Other employee benefits	27,425	-	39,239	48,394	115,058	107,803
Contract & Grant Funded Payroll Expenses	243,517	89,052	-	65,555	398,124	271,315
Total salaries and related expenses	413,141	89,052	276,641	641,197	1,420,031	1,370,195
Community Care Fund allocations	876,700	-	-	-	876,700	920,520
Professional fees and services	355,170	-	52,324	35,825	443,319	426,983
Advertising, publicity, and special events	35,875	-	8,034	147,751	191,660	203,414
Federated Campaign Expenses	-	173,284	-	-	173,284	197,576
Other Community Distributions	130,565	-	-	-	130,565	204,447
Subscriptions and dues	25,782	-	19,764	20,926	66,472	72,398
Depreciation	16,603	-	6,600	26,401	49,604	52,092
Occupancy	13,467	-	9,183	24,665	47,315	56,674
Equipment, Software & Hardware	12,593	-	5,385	15,265	33,243	47,579
Telephone and postage	7,230	-	6,818	16,741	30,789	27,066
Employee Expenses	7,209	-	4,598	11,031	22,838	48,294
General office supplies and printing	5,850	-	1,185	3,558	10,593	5,768
Travel and related costs	3,707	-	2,620	2,054	8,381	11,582
Insurance	2,122	-	1,010	3,015	6,147	8,154
Miscellaneous	20,000	-	594	1,578	22,172	4,048
Loaned executive expense	-	-	-	-	-	12,512
Interest expense	-	-	-	-	-	1,137
	$ 1,926,014	$ 262,336	$ 394,756	$ 950,007	$ 3,533,113	$ 3,670,439

The accompanying notes are an integral part of these statements.

UNITED WAY OF THE GREATER CAPITAL REGION, INC. AND STATE EMPLOYEES FEDERATED APPEAL

COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020
(With Comparative Totals for 2019)

	2020	(Restated) 2019
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	$ 69,212	$ 52,410
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	49,604	44,097
Provision for bad debts	(338,950)	(432,705)
Loss (gain) on investments	111,319	(114,685)
Loss (gain) on beneficial interest in trust	5,133	(905)
Changes in:		
Pledges receivable	250,571	529,043
Other receivables	109,745	(247,596)
Prepaid expenses and other assets	49,750	(11,068)
Accounts payable and accrued expenses	(49,135)	(1,143)
Grants and investments payable	(16,749)	(14,167)
Due to designated agencies	98,930	(234,656)
Net cash flow from operating activities	339,430	(431,375)
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of investments	(2,265,318)	(3,798)
Proceeds from sales of investments	2,218,949	39,388
Purchases of property and equipment	(17,545)	(48,022)
Net cash flow from investing activities	(63,914)	(12,432)
CASH FLOW FROM FINANCING ACTIVITIES:		
Payments on long-term debt	-	(49,463)
Proceeds from acquring new debt	277,963	-
Net cash flow from financing activities	277,963	(49,463)
CHANGE IN CASH AND CASH EQUIVALENTS	553,479	(493,270)
CASH AND CASH EQUIVALENTS - beginning of year	807,636	1,300,906
CASH AND CASH EQUIVALENTS - end of year	$ 1,361,115	$ 807,636

The accompanying notes are an integral part of these statements.

1. ORGANIZATION AND HISTORY

United Way of the Greater Capital Region, Inc. (UWGCR), a New York not-for-profit corporation, provides services to individuals and corporations in the Capital Region. Our mission is to improve lives and advance the common good in the Capital Region by mobilizing the caring power of donors, volunteers, and community partners to give, volunteer, and advocate for people in need within our region.

Our vision is to be a recognized leader in the development and investment of philanthropic and volunteer resources in programs and initiatives that fight for the health, education and financial stability of every person in every community.

UWGCR is a member of the United Way Worldwide. To maintain membership within this organization, UWGCR must make a membership investment to United Way Worldwide based on a percentage of annual contributions received. This membership fee paid to United Way Worldwide was $42,643 and $45,010 for the years ended June 30, 2020 and 2019, respectively.

During 2020, UWGCR issued grants to 55 local programs and special initiatives representing 47 agencies. More than 100,000 Greater Capital Region residents benefited from United Way-funded programs in 2019-2020.

UWGCR also helped mobilize more than 2,000 volunteers who contributed their time and expertise to community projects, organizational leadership and planning, fundraising and more.

State Employees Federated Appeal (SEFA)
Workplace fund-raising campaigns – UWGCR is responsible for developing, implementing, and evaluating fund-raising programs with respective volunteer committees for 12 county areas in New York State.

State Employees Federated Appeal (SEFA) is an annual fund-raising campaign that occurs during the fall season. The program was established to accommodate the wishes of New York State employees who wanted a single fund-raising campaign that would reduce multiple charitable solicitations.

New York State regulations assign the responsibility of campaign oversight to the Capital Region SEFA Committee whose members include state employees and representatives of charitable agencies. Campaign administrative and fiscal management services are performed by personnel of United Way of the Greater Capital Region, Inc.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Combination

The amounts in the combined financial statements include the accounts of the United Way of the Greater Capital Region, Inc. (UWGCR) and State Employees Federated Appeal (SEFA). All significant intercompany balances and transactions have been eliminated in the combination. The financial statements have been combined because of common control and interrelated operating activities.

These organizations are hereafter referred to as “the Organization”.

Basis of Accounting

The accompanying combined financial statements were prepared in accordance with accounting principles generally accepted in the United States of America. The significant accounting policies followed by United Way of the Greater Capital Region, Inc. and State Employees Federal Appeal, are described below to enhance the usefulness of the combined financial statements.

Change in Accounting Principles

In June 2018, the Financial Accounting Standards Board (FASB) issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 clarifies the determination of whether a grant or contract is a contribution or an exchange transaction subject to other guidance. Changes resulting from the adoption of ASU 2018-08 were made on a modified prospective basis during the year of adoption and therefore had no effect on the financial position or results of operations for the year ended June 30, 2019. There was no impact from the change in accounting principle on the financial position or results of operations for the year ended June 30, 2020.

Use of Estimates

Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the combined financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include bank demand deposit accounts, money market accounts and all highly liquid debt instruments purchased with a maturity of three months or less. The Organization’s cash balances may at times exceed federally insured limits. The Organization has not experienced any losses in these accounts and believes it is not exposed to any significant risk with respect to cash and cash equivalents.

Investments

All investments in publicly traded equity and fixed income mutual funds are stated at fair value. Fair value is determined using quoted market prices. All realized and unrealized gains and losses are reported directly in the accompanying combined statement of activities.

Marketable securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain marketable securities, it is at least reasonably possible that changes in the values of marketable securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying combined financial statements.

Pledges Receivable

The Organization provides an allowance for uncollectible pledges based upon collection history and a review open accounts by management. Open accounts are written off after all collection efforts have been exhausted and the pledge is determined to be uncollectible. The allowance for uncollectible pledge was $354,000 and $285,000 as of June 30, 2020 and 2019, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pledges Receivable (Continued)
Although management has reviewed the collection history while projecting the allowance, it is reasonably possible that actual uncollectible pledges may differ from the estimated allowance.

Property and Equipment
Property and equipment are stated at cost, except for donated assets, which are recorded at their fair market value at the date of the gift. The Organization does not imply a time restriction, based on the assets' estimated useful lives, on donations of property and equipment that are restricted as to their use by the donor. Accordingly, those donations are recorded as support, increasing net assets without donor restrictions.

Expenditures for acquisitions, renewals, and betterments are capitalized, whereas maintenance and repair costs are expensed as incurred. When property and equipment are disposed of, the appropriate accounts are relieved of costs, and accumulated depreciation and any resultant gain or loss is reported as a change in net assets.

Depreciation is computed on a straight-line basis using the estimated useful lives (2 to 40 years) of the various assets.

Long-Lived Assets
The Organization assesses its long-lived assets for impairment when events or circumstances indicate their carrying amounts may not be recoverable. This is accomplished by comparing the expected undiscounted future cash flows of the long-lived assets with the respective carrying amount as of the date of assessment. If the expected undiscounted future cash flows exceed the respective carrying amount as of the date of assessment, the long-lived assets are considered not to be impaired. If the expected undiscounted future cash flows are less than the carrying value, an impairment loss is recognized and measured as the difference between the carrying value and the fair value of the long-lived assets. No impairment of long-lived assets was recognized in 2020 or 2019.

Due to Affiliated Agencies/Pledge Income
Contributions which are designated to a specific third-party beneficiary are recorded as a liability at the time the contribution is received, net of campaign costs and allowance for uncollectible pledges. All pledges received by SEFA are considered donor-restricted. These pledges are passed directly to the designated recipients and are excluded from the Organization's revenue and expenses, except for a small portion that is allocated to revenue to cover direct campaign costs.

Financial Reporting
To ensure observance of limitations of restrictions placed on the use of resources available to the Organization, the resources are classified for reporting purposes into groups of net assets established according to their nature and purpose. Accordingly, all financial transactions have been recorded and reported by net asset group.

Net assets of the Organization are classified and reported as follows:

Net assets without donor restrictions – undesignated – This category of net assets includes resources that are available for the support of the Organization's operating activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Reporting (Continued)

Net assets without donor restrictions – board designated – This category of net assets includes resources that the Board of Directors has designated for specific purposes.

Net assets with donor restrictions – This category of net assets includes resources that have been donated to the Organization subject to restrictions as defined by the donor. The satisfaction of the restrictions is reflected as net assets released from restrictions in the statement of activities.

Recognition of Donor Restrictions

Support that is restricted by the donor is reported as an increase in net assets without restrictions if the restriction expires in the reporting period in which the support is received. All other donor-restricted support is reported as an increase net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Donated and Contributed Services

A number of "loaned executives" have donated 0 and 10,204 hours to the Organization's fund-raising campaigns during the years ended June 30, 2020 and 2019, respectively. The services donated require specialized skills and are reflected in the combined statement of activities at their estimated fair value. For the years ended June 30, 2020 and 2019, the amount recognized was $298,392 and $219,254, respectively.

Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the combined statement of activities and changes in net assets and in the combined statement of functional expenses. Payroll and benefits are allocated based on time spent in the various programs. Depreciation, maintenance and occupancy related costs are allocated based on management's estimates. Allocations to funded agencies are all considered program expenses.

Advertising

The Organization expenses advertising costs as incurred. Advertising expense was $191,660 and $203,414 for the years ended June 30, 2020 and 2019, respectively.

Financial Instruments Measured at Fair Value

Fair value is defined as 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. GAAP provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments Measured at Fair Value (Continued)
The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The valuation methodology used for the Organization's assets measured at fair value is to value the investments at quoted market prices on the last business day of the fiscal year.

The fair value of the beneficial interest in perpetual trusts is determined to be a level 2 measurement using the market approach as the carrying amount of these investments approximates fair value based on the value of similar assets at which the Organization could invest in.

Income Taxes
United Way of the Greater Capital Region, Inc. and SEFA are exempt from federal income tax as a not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code and have been classified as an entity that is not a private foundation.

Comparative Financial Information
The combined financial statements include certain prior-year summarized comparative information in total but not by net asset class and functional expense classification. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's combined financial statements for the year ended June 30, 2019, from which the summarized information was derived.

3. LIQUIDITY

The Organization has a goal to maintain financial assets on hand to meet normal operating expenses. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	2020	2019
Financial assets		
Cash and cash equivalents	$ 1,361,115	$ 807,636
Investments	3,898,088	3,800,342
Pledges receivable, net	1,699,856	1,611,477
Other receivables	220,353	330,098
Beneficial Interest in perpetual trust	475,499	480,632
Total financial assets	7,654,911	7,030,185
Less: those unavailable for general expenditures within one year due to:		
Board designated	(3,214,694)	(3,355,647)
Restricted by donor with purpose or time restriction	(651,489)	(594,170)
Financial assets available to meet cash needs for general expenditures within one year	$ 3,788,728	$ 3,080,368

3. LIQUIDITY (Continued)

The Organization maintains sufficient cash that is readily available for general expenditures. Additionally, the Organization's ability to meet its cash needs is further dependent, in part, on timely collection of its promises to give. The Organization's promises to give are due primarily from organizations and individuals. The Organization employs procedures specifically designed to collect from these payers as quickly as possible. However, timeliness of payment from these payers varies and is sometimes difficult to predict. Additionally, the Organization has a line-of-credit which can be drawn upon as necessary.

4. INVESTMENTS

Investments are managed in accordance with an investment policy that was approved by the Board of Directors. A summary of investments as of June 30, 2020 and 2019 is as follows:

	2020	2019
Mutual funds- equities	$ 2,549,284	$ 2,394,149
Mutual funds- fixed income	1,348,804	1,406,193
	$ 3,898,088	$ 3,800,342

For the years ended June 30, 2020 and 2019, the investments earned interest and dividends of $107,100 and $108,157, respectively. There were no investment management fees incurred for the years ended June 30, 2020 and 2019.

5. FAIR VALUE MEASUREMENTS

The Organization's investments at fair value, within the fair value hierarchy, are as follows as of June 30:

Description	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
June 30, 2020:				
Mutual funds - equities	$ 2,549,284	$ -	$ -	$ 2,549,284
Mutual funds - fixed income	1,348,804	-	-	1,348,804
Beneficial interest in perpetual trust	-	475,499	-	475,499
	$ 3,898,088	$ 475,499	$ -	$ 4,373,587
June 30, 2019:				
Mutual funds - equities	$ 2,394,149	$ -	$ -	$ 2,394,149
Mutual funds - fixed income	1,406,193	-	-	1,406,193
Beneficial interest in perpetual trust	-	480,632	-	480,632
	$ 3,800,342	$ 480,632	$ -	$ 4,280,974

6. PROPERTY AND EQUIPMENT

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

	2020	2019
Land	$ 102,300	$ 102,300
Building and building improvements	878,384	878,384
Office equipment	238,343	220,796
	1,219,027	1,201,480
Less: Accumulated depreciation	(1,010,376)	(960,769)
	$ 208,651	$ 240,711

Depreciation expense for the years ended June 30, 2020 and 2019 was approximately $50,000 and $52,000.

7. LINE-OF-CREDIT

The Organization has a secured $250,000 line-of-credit with Pioneer Savings Bank. Borrowings against the line are due on demand and interest is payable monthly at the Bank's prime rate plus one percent (5.25% at June 30, 2020), with a floor percentage rate of 5.25%. The balance is secured by all assets of the Organization. At June 30, 2020 and 2019 there was no outstanding balance on the line of credit.

8. NET ASSETS

Net assets with donor restrictions are available for the following purposes at June 30:

	2020	2019
Percy Waller Perpetual Charitable Trust	$ 475,499	$ 480,632
Bequests from estates to be held in perpetuity	113,061	113,061
Capital City Fund	62,452	-
United in action	477	477
	$ 651,489	$ 594,170

Board designated net assets are available for the following purposes at June 30:

	2020	2019
ELAP	$ 4,600	$ 4,600
Funds functioning as endowment	3,210,094	3,351,047
	$ 3,214,694	$ 3,355,647

8. NET ASSETS (Continued)

Beneficial Interest in Perpetual Trusts

The Organization is the beneficiary of the Percy Waller Perpetual Charitable Trust (Trust). The Trust provides for annual distributions of eleven percent of the income earned on the Trust's assets. The donor has placed no restrictions as to the use of the distributions. The Trust is administered by an independent third-party trustee.

The value of the beneficial interest in perpetual trust is recorded at eleven percent of the fair market value of the Trust's assets. The Organization recognized a (loss) gain in the value of this Trust in the amount of $(5,133) and $905 for the years ended June 30, 2020 and 2019, respectively.

Other Net Assets With Donor Restrictions

The Organization is the beneficiary of two bequests from estates for which the donor restricted the funds to be held in perpetuity. There are no restrictions placed on the income derived from these funds.

9. EMPLOYER RETIREMENT PLANS

The Organization established a 403(b) plan for its employees. Employer contributions to the Plan are determined annually by the Board of Directors. The Board of Directors approved a revision to the Plan, effective January 1, 2012, which includes an employer match of up to 4% of salary on employee contributions to the Plan. In addition, the Plan includes a service weighted automatic contribution of 3% of salary for employees with up to 10 years of service, and a 5% contribution for employees of over 10 years of service.

A one year waiting period is required for participation in the match and automatic contribution portions of the Plan. During the years ended June 30, 2020 and 2019, the employer contribution was $49,832 and $31,638 respectively.

The Organization had a noncontributory, combination pension and welfare plan available to all employees 21 years of age or older, who completed one year of service. The Plan was a defined benefit plan, which provided benefits that were generally based on years of service and final average salary. The plan was terminated as of June 30, 2016. There were no plan assets as of June 30, 2016 as the plan was terminated and all plan assets were paid to participants. The Board made a resolution to make 11 annual contributions of $6,703 to one employee that had not been paid out. These contributions are the Organization's assets until the employment is terminated.

10. ENDOWMENT

The Organization's endowment consists of funds established to provide investment income to be used for fundraising and operating costs so that a higher percentage of donor contributions can be directed to the Community Care Fund. Its endowment includes donor-restricted and board designated endowments. As required by generally accepted accounting principles, net assets associated with endowment funds including funds, designated by the Board of Directors to function as endowments, are classified and reported based on the existence of donor-imposed restrictions.

10. ENDOWMENT (Continued)

Endowment net asset composition as of June 30, 2020 and 2019 is as follows:

	Board Designated	With Donor Restrictions	Total
June 30, 2020:			
Endowment funds	$ 3,215,227	$ 588,560	$ 3,803,787
June 30, 2019:			
Endowment funds	$ 3,351,047	$ 593,693	$ 3,944,740

Changes in endowment net assets for the years ended June 30, 2020 and 2019 are as follows:

Description	Board Designated	With Restrictions	Total
Endowment net assets - July 1, 2018	$ 3,075,406	$ 592,788	$ 3,668,194
Net appreciation	275,641	905	276,546
Endowment net assets - June 30, 2019	$ 3,351,047	$ 593,693	$ 3,944,740
Releases	(22,843)	-	(22,843)
Net depreciation	(112,977)	(5,133)	(118,110)
Endowment net assets - June 30, 2020	$ 3,215,227	$ 588,560	$ 3,803,787

Return Objectives and Risk Parameters

Investments of the Board-designated funds are made for the purpose of providing supplemental funding of fundraising and operational activities. The net assets with restrictions are those donor-restricted funds that the Organization must hold in perpetuity.

The Organization recognizes that risk (i.e. the uncertainty of future events), volatility (i.e. the potential for variability of asset values), and the possibility of loss in purchasing power (due to inflation) are present to some degree in all types of investment vehicles. While high levels of risk are to be avoided, the assumption of some risk is warranted in order to allow the investment manager the opportunity to achieve satisfactory long-term results consistent with the objectives of the fund.

Strategies Employed for Achieving Objectives

The Organization has adopted investment and spending policies for endowment assets that attempt to maintain the corpus of the fund while allowing the account to grow in order to provide a resource for occasional funding to programs supported by its endowment. Endowment assets include funds without donor restrictions and those with donor restrictions as of June 30, 2020 and 2019. Under this policy, as approved by the Board of Directors, the endowment assets are invested primarily in stocks (generally targeted at 40-60% of the fund), bonds (38-52%) and commodities (2-8%). No target growth rate is stated or implied by the Organization’s investment objectives. Actual investment returns in any given year may vary.

10. ENDOWMENT (Continued)

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation (see information above) that places a greater emphasis on equity and bond-based investments to achieve its long-term return objectives with prudent risk constraints.

Management periodically presents system level initiatives that they feel worthy of Organization support. The Organization's Board reviews these suggestions and appropriates money on occasion for items they deem worthwhile. There is no annual target for expenditures.

The governing board has interpreted the applicable provisions of New York Not-for-Profit Corporation Law to mean that the classification of appreciation on its restricted endowment gifts, beyond the original gift amount, follows the donor's restrictions on the use of the related income (interest and dividends), and income is classified as restricted until appropriated for expenditure. As of June 30, 2020, all income related to net assets with restrictions have been expended consistent with donor intent.

11. PAYMENT PROTECTION PROGRAM ARRANGEMENT

In April 2020, the Organization entered into an arrangement with a bank under the auspices of the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief & Economic Security Act (CARES Act) under which the Organization received $277,963. This arrangement is evidenced by a loan agreement that includes provisions whereby the loan balance can be fully or partially forgiven based on the Organization's use of the funds, maintenance of its personnel complement, and compliance with certain reporting elements to the Bank in accordance with the requirements of the PPP Program.

The Organization has elected to account for its PPP arrangement as a conditional contribution, meaning that revenue is recorded as the conditions meeting the requirements for forgiveness are met. Ultimately, forgiveness will be adjudicated by the Bank and approved by the U.S. Small Business Administration. The final outcome of whether this arrangement will be forgiven has not been determined as of the date these financial statements were available to be issued. The Organization expects this determination to be made during its fiscal year ending June 30, 2021.

Under the terms of the PPP loan agreement, any balance related to this arrangement that is not ultimately forgiven will be repayable in monthly installments through April 2022, including interest at 1%.

12. PRIOR PERIOD ADJUSTMENT

During 2020, management determined that designations payable were in error. The accompanying financial statements have been restated to correct this error as of July 1, 2019. The effect of this restatement resulted in a increase in net assets without donor restrictions of $162,695 as of July 1, 2018.

12. PRIOR PERIOD ADJUSTMENT (Continued)

The accumulative effect of these adjustments on the previously issued financial statements is as follows:

Statement of Financial Position - June 30, 2019

	Previously Reported	Increase/ Decrease	Restated
Total Net Assets	$ 5,189,384	$ 162,695	$ 5,352,079

13. SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 26, 2020, which is the date these combined financial statements were available to be issued.

UNITED WAY OF THE GREATER CAPITAL REGION, INC. AND STATE EMPLOYEES FEDERATED APPEAL

Schedule I

COMBINING SCHEDULE OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2020
(With Comparative Totals for 2019)

	United Way of the Greater Capital Region, Inc.	State Employees Federated Appeal	Eliminations	2020 Total	(Restated) 2019 Total
ASSETS					
Cash and cash equivalents	$ 825,878	$ 535,237	$ -	$ 1,361,115	$ 807,636
Investments	3,898,088	-	-	3,898,088	3,800,342
Pledges receivable, net	1,357,553	342,303	-	1,699,856	1,611,477
Other receivables	220,353	-	-	220,353	330,098
Prepaid expenses and other assets	-	-	-	-	49,750
Due from affiliates	162,695	184,737	(347,432)	-	-
Property and equipment, net	208,651	-	-	208,651	240,711
Beneficial interest in perpetual trust	475,499	-	-	475,499	480,632
	$ 7,148,717	$ 1,062,277	$ (347,432)	$ 7,863,562	$ 7,320,646
LIABILITIES AND NET ASSETS					
LIABILITIES:					
Accounts payable and accrued expenses	$ 107,427	$ -	$ -	$ 107,427	$ 156,562
Due to affiliated agencies	1,086,288	162,695	(347,432)	901,551	918,300
Due to designated agencies	431,689	723,641	-	1,155,330	893,705
Debt	277,963	-	-	277,963	-
Total liabilities	1,903,367	886,336	(347,432)	2,442,271	1,968,567
NET ASSETS:					
WITHOUT DONOR RESTRICTIONS -					
Undesignated	1,379,167	175,941	-	1,555,108	1,402,262
Board designated	3,214,694	-	-	3,214,694	3,355,647
Total without donor restrictions	4,593,861	175,941	-	4,769,802	4,757,909
WITH DONOR RESTRICTIONS -	651,489	-	-	651,489	594,170
Total net assets	5,245,350	175,941	-	5,421,291	5,352,079
	$ 7,148,717	$ 1,062,277	$ (347,432)	$ 7,863,562	$ 7,320,646

The accompanying notes are an integral part of these schedules.

UNITED WAY OF THE GREATER CAPITAL REGION, INC. AND STATE EMPLOYEES FEDERATED APPEAL

Schedule II

COMBINING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020
(With Comparative Totals for 2019)

	United Way of the Greater Capital Region, Inc. Without Donor Restrictions	With Donor Restrictions	Total	State Employees Federated Appeal Without Donor Restrictions	Eliminations	2020 Totals	(Restated) 2019 Totals
SUPPORT, REVENUE AND GAINS:							
Support							
Contributions received	$ 3,542,728	$ -	$ 3,542,728	$ 897,203	$ -	$ 4,439,931	$ 4,060,504
Contributions received - COVID	346,549	-	346,549	-	-	346,549	-
Less: Donor designations	(1,314,793)	-	(1,314,793)	(690,459)	-	(2,005,252)	(1,419,152)
Allowance for uncollectible pledges	(264,380)	-	(264,380)	(74,570)	-	(338,950)	(432,705)
Subtotal	2,310,104	-	2,310,104	132,174	-	2,442,278	2,208,647
Grants	296,788	-	296,788	-	-	296,788	308,811
Contributed goods and services	298,392	-	298,392	-	-	298,392	219,254
Legacies and bequests	37,340	-	37,340	-	-	37,340	28,055
Sponsorships	-	68,844	68,844	-	-	68,844	-
Events	138,613	-	138,613	-	-	138,613	204,625
Total support	3,081,237	68,844	3,150,081	132,174	-	3,282,255	2,969,392
Revenue and gains							
Federated campaign income	219,887	-	219,887	-	-	219,887	243,243
Contract revenue	35,232	-	35,232	-	-	35,232	204,872
Donor designated service fees	22,080	-	22,080	-	-	22,080	26,067
Interest and dividends	106,992	-	106,992	108	-	107,100	108,157
Rental revenue	47,800	-	47,800	-	-	47,800	46,400
(Loss) gain on investments	(111,319)	-	(111,319)	-	-	(111,319)	114,685
Miscellaneous	4,207	-	4,207	216	-	4,423	9,128
Net assets released from donor restriction	6,392	(6,392)	-	-	-	-	-
(Loss) gain on permanently restricted	-	(5,133)	(5,133)	-	-	(5,133)	905
Total revenue and gains	331,271	(11,525)	319,746	324	-	320,070	753,457
Total support, revenue, and gains	3,412,508	57,319	3,469,827	132,498	-	3,602,325	3,722,849
EXPENSES:							
Program services:							
Community impact	1,926,014	-	1,926,014	-	-	1,926,014	1,934,430
SEFA	132,269	-	132,269	130,067	-	262,336	303,699
Total program services	2,058,283	-	2,058,283	130,067	-	2,188,350	2,238,129
Supporting services:							
Management and general	392,435	-	392,435	2,321	-	394,756	424,244
Fundraising	950,007	-	950,007	-	-	950,007	1,008,066
Total supporting services	1,342,442	-	1,342,442	2,321	-	1,344,763	1,432,310
Total expenses	3,400,725	-	3,400,725	132,388	-	3,533,113	3,670,439
CHANGE IN NET ASSETS	11,783	57,319	69,102	110	-	69,212	52,410
NET ASSETS - beginning of year, as previously stated	4,582,078	594,170	5,176,248	175,831	-	5,352,079	5,136,974
PRIOR PERIOD ADJUSTMENT	-	-	-	-	-	-	162,695
NET ASSETS - beginning of year, as restated	4,582,078	594,170	5,176,248	175,831	-	5,352,079	5,299,669
NET ASSETS - end of year	$ 4,593,861	$ 651,489	$ 5,245,350	$ 175,941	$ -	$ 5,421,291	$ 5,352,079

The accompanying notes are an integral part of these schedules.