

**UNITED WAY OF THE GREATER CAPITAL REGION, INC.
AND AFFILIATES**

**Consolidated and Combined Financial Statements as of
June 30, 2024
Together with
Independent Auditor's Report**

INDEPENDENT AUDITOR'S REPORT

July 30, 2025

To the Board of Directors of
United Way of the Greater Capital Region, Inc. and Affiliates:

Opinion

We have audited the accompanying consolidated and combined financial statements of United Way of the Greater Capital Region, Inc. and Affiliates (a New York State not-for-profit corporation, referred to hereon after as 'the Organization'), which comprise the consolidated and combined statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated and combined financial statements (the financial statements).

In our opinion, the consolidated and combined financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2024, 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.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and combined 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 consolidated and combined financial statements that are free from material misstatement, whether due to fraud or error.

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

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INDEPENDENT AUDITOR'S REPORT

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 consolidated and combined financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated and combined 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 consolidated and combined financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 consolidated and combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2023 consolidated and combined financial statements, and we expressed an unmodified opinion on those audited consolidated and combined financial statements in our report dated February 29, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited consolidated and combined financial statements from which it has been derived.

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INDEPENDENT AUDITOR'S REPORT

(Continued)

Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the consolidated and combined financial statements as a whole. The combining and consolidating information in Schedules I and II is presented for the purposes of additional analysis of the consolidated and 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 consolidated and 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 consolidated and combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated and 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 consolidated and combined financial statements or to the consolidated and 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 consolidated and combined financial statements as a whole.

Bonadio & Co., LLP

**UNITED WAY OF THE GREATER CAPITAL REGION, INC. AND
AFFILIATES**

CONSOLIDATED AND COMBINED STATEMENT OF FINANCIAL POSITION

JUNE 30, 2024

(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents	\$ 875,062	\$ 536,227
Investments	7,427,123	7,823,643
Pledges receivable, net	930,069	1,019,852
Other receivables	215,254	22,720
Prepaid expenses	-	8,113
Property and equipment, net	713,141	889,970
Beneficial interest in perpetual trust	616,006	563,929
Operating Right of Use Asset	3,234,181	3,611,694
Finance Right of Use Asset	7,717	11,538
	<u>\$ 14,018,553</u>	<u>\$ 14,487,686</u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Line of credit	\$ -	\$ 800,000
Accounts payable and accrued expenses	385,179	307,562
Grants and investments payable	225,000	937,512
Due to designated agencies	800,322	480,520
Deferred revenue	7,247	31,404
Operating lease liability	3,341,637	3,669,004
Finance lease liability	7,938	11,701
	<u>4,767,323</u>	<u>6,237,703</u>
Total liabilities		
NET ASSETS:		
Without donor restrictions -		
Undesignated	1,715,714	319,485
Board designated	6,788,982	7,203,366
Total without donor restrictions	8,504,696	7,522,851
With donor restrictions -	746,534	727,132
	<u>9,251,230</u>	<u>8,249,983</u>
Total net assets		
	<u>\$ 14,018,553</u>	<u>\$ 14,487,686</u>

The accompanying notes are an integral part of these statements.

**UNITED WAY OF THE GREATER CAPITAL REGION, INC. AND
AFFILIATES**

**CONSOLIDATED AND COMBINED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

(With Comparative Totals for 2023)

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
SUPPORT, REVENUE AND GAINS:				
Support -				
Contributions received	\$ 2,661,267	\$ -	\$ 2,661,267	\$ 2,215,576
Less: Donor designations	(591,328)	-	(591,328)	(566,313)
Allowance for uncollectible pledges	(285,000)	-	(285,000)	(263,598)
Subtotal	1,784,939	-	1,784,939	1,385,665
Grants	330,538	-	330,538	585,295
Contributed goods and services	350,032	-	350,032	304,744
Legacies and bequests	326,626	-	326,626	37,678
Participant fees	486,393	-	486,393	574,653
Sponsorships	109,271	-	109,271	351,950
Events	63,033	-	63,033	208,563
Total support	3,450,832	-	3,450,832	3,448,548
Revenue and gains -				
Interest and dividends	301,000	-	301,000	290,169
Gain (loss) on investments	556,126	9,208	565,334	422,200
Gain (loss) on fixed assets	574,087	-	574,087	-
Miscellaneous	268,894	-	268,894	5,611
Gain (loss) on beneficial interest in trust	-	52,077	52,077	28,460
Net assets released from restriction	41,883	(41,883)	-	-
Total revenue and gains	1,741,990	19,402	1,761,392	746,440
Total support, revenue, and gains	5,192,822	19,402	5,212,224	4,194,988
EXPENSES:				
Program services	2,328,480	-	2,328,480	3,773,179
Supporting services:				
Management and general	591,295	-	591,295	477,975
Fundraising	1,291,202	-	1,291,202	1,100,354
Total supporting services	1,882,497	-	1,882,497	1,578,329
Total expenses	4,210,977	-	4,210,977	5,351,508
CHANGE IN NET ASSETS	981,845	19,402	1,001,247	(1,156,520)
NET ASSETS - beginning of year	7,522,851	727,132	8,249,983	9,406,503
NET ASSETS - end of year	\$ 8,504,696	\$ 746,534	\$ 9,251,230	\$ 8,249,983

The accompanying notes are an integral part of these statements.

**UNITED WAY OF THE GREATER CAPITAL REGION, INC. AND
AFFILIATES**

**CONSOLIDATED AND COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024**

(With Comparative Totals for 2023)

	Program			Total Program	Management and General	Fundraising	2024 Total	2023 Total
	United Way	The Blake Annex	SEFA					
Salaries and payroll taxes	\$ 313,384	\$ -	\$ 16,915	\$ 330,299	\$ 158,122	\$ 637,013	\$ 1,125,434	\$ 1,074,961
Retirement expenses	12,255	-	-	12,255	5,724	14,868	32,847	43,356
Other employee benefits	33,019	-	799	33,818	16,606	54,950	105,374	98,563
Contract and grant funded payroll expenses	<u>229,716</u>	<u>231,569</u>	<u>-</u>	<u>461,285</u>	<u>75,693</u>	<u>-</u>	<u>536,978</u>	<u>531,747</u>
Total salaries and related expenses	588,374	231,569	17,714	837,657	256,145	706,831	1,800,633	1,748,627
Community Care Fund distributions	2,484	-	-	2,484	-	-	2,484	1,474,993
Professional fees and services	132,012	-	4,089	136,101	144,891	137,891	418,883	399,752
Occupancy	29,822	483,756	-	513,578	20,572	51,323	585,473	513,527
Contributed goods and services	292,031	-	-	292,031	-	58,001	350,032	304,244
Advertising, publicity and special events	38,438	150	-	38,588	36,604	151,881	227,073	202,981
Contract and grant funded expenses	199,712	51,495	-	251,207	-	-	251,207	269,611
Subscription and dues	28,723	5,891	-	34,614	20,984	21,194	76,792	103,732
Depreciation	45,219	32,694	-	77,913	27,131	108,526	213,570	62,133
Other community distributions	19,839	-	-	19,839	-	10,768	30,607	48,468
Employee expenses	6,119	883	-	7,002	8,413	12,089	27,504	46,557
General office supplies and printing	3,826	21,452	-	25,278	4,568	3,211	33,057	40,993
Telephone and postage	5,086	9,133	-	14,219	4,387	7,969	26,575	33,989
Interest	-	1,605	-	1,605	57,556	-	59,161	30,362
Insurance	2,574	2,345	-	4,919	2,595	2,888	10,402	22,148
Equipment, software and hardware	7,426	14,709	-	22,135	7,380	10,113	39,628	21,933
Miscellaneous	37,888	1,974	-	39,862	-	-	39,862	13,917
Travel and related costs	<u>5,679</u>	<u>3,769</u>	<u>-</u>	<u>9,448</u>	<u>69</u>	<u>8,517</u>	<u>18,034</u>	<u>13,539</u>
	<u>\$ 1,445,252</u>	<u>\$ 861,425</u>	<u>\$ 21,803</u>	<u>\$ 2,328,480</u>	<u>\$ 591,295</u>	<u>\$ 1,291,202</u>	<u>\$ 4,210,977</u>	<u>\$ 5,351,508</u>

The accompanying notes are an integral part of these statements.

**UNITED WAY OF THE GREATER CAPITAL REGION, INC. AND
AFFILIATES**

**CONSOLIDATED AND COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024**

(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,001,247	\$ (1,156,520)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	209,749	62,081
Non-cash lease expense	381,334	472,687
Provision for bad debts	(285,000)	(263,598)
(Gain) loss on investments	(565,334)	(422,200)
(Gain) loss on disposal of fixed assets	(574,087)	-
(Gain) loss on beneficial interest in trust	(52,077)	(28,460)
Changes in:		
Pledges receivable	374,783	572,489
Other receivables	(192,534)	2,325
Prepaid expenses	8,113	-
Accounts payable and accrued expenses	132,817	(51,489)
Grants and investments payable	(712,512)	223,615
Deferred revenue	(24,157)	(5,696)
Due to designated agencies	264,602	640
Operating lease liability	<u>(331,130)</u>	<u>(415,350)</u>
Net cash flow from operating activities	<u>(364,186)</u>	<u>(1,009,476)</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of investments	(300,999)	(1,013,851)
Proceeds from sales of investments	1,262,854	1,606,631
Proceeds of property and equipment	700,000	-
Purchases of property and equipment	<u>(158,834)</u>	<u>(569,069)</u>
Net cash flow from investing activities	<u>1,503,021</u>	<u>23,711</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Borrowings on line of credit	-	845,000
Payments on line of credit	(800,000)	(45,000)
Repayment on lease liability	<u>-</u>	<u>(3,685)</u>
Net cash flow from financing activities	<u>(800,000)</u>	<u>796,315</u>
CHANGE IN CASH AND CASH EQUIVALENTS	338,835	(189,450)
CASH AND CASH EQUIVALENTS - beginning of year	<u>536,227</u>	<u>725,677</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 875,062</u>	<u>\$ 536,227</u>

The accompanying notes are an integral part of these statements.

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

NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS JUNE 30, 2024

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 approximately \$20,000 and \$49,000 for the year ended June 30, 2024 and 2023, respectively.

During 2024, UWGCR issued grants to 67 local programs and special initiatives representing 61 agencies. More than 100,000 Greater Capital Region residents benefited from United Way funded programs in 2024.

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.

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 UWGCR.

The Blake Annex

The Blake Annex, Inc. (The Blake) is an impact-driven coworking community for Capital Region nonprofits and tax-exempt ventures to focus more on mission and less on daily operations by providing working space at a rate below the fair market value and an organizational structure for promoting collaboration for the common purpose. The Blake provides educational opportunities, advancement and support for individuals and companies in the nonprofit and tax-exempt sectors.

1. ORGANIZATION AND HISTORY (Continued)

The Blake Annex (Continued)

The Blake aligns with United Way of the Greater Capital Region's (UWGCR) mission to bring organizations together to tackle the complex roots of systemic issues and create pathways for positive change at a generational scale. Nonprofit members and their partners who serve communities across the Capital Region will come together to share services and ideas to innovate within and across sectors to make a difference for today and for generations. This open and inspiring work environment aims to break down silos, increase efficiency and capacity, and elevate the critical role that nonprofit organizations and grassroots movements play in creating communities in which all can thrive.

Principles of Consolidation and Combination

The amounts in the consolidated and combined financial statements include the accounts of the United Way of the Greater Capital Region, Inc. (UWGCR), The Blake Annex 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".

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying consolidated and combined financial statements (the financial statements) were prepared in accordance with accounting principles generally accepted in the United States of America. The significant accounting policies followed by the Organization, are described below to enhance the usefulness of the financial statements.

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 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 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 financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 \$492,153 and \$215,549 as of June 30, 2024 and 2023, respectively. 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 2024 and 2023.

Leases

The Organization determines if an arrangement is a lease at inception. ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent an obligation to make lease payments arising from the lease. Lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The lease may include renewal and termination options, which are included in the lease term when the Organization is reasonably certain to exercise these options.

For all underlying classes of assets, the Organization has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise. The Organization recognizes fixed short-term lease cost on a straight-line basis over the lease term and variable lease cost in the period in which the obligation is incurred.

The Organization elected for all classes of underlying assets to use the risk-free rate as the discount rate if the implicit rate in the lease contract is not readily determinable and to not separate the lease and nonlease component of a contract and to account for as a single lease component.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 combined 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 in 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

The services donated require specialized skills and are reflected in the combined statement of activities at their estimated fair value. For the year ended June 30, 2024 and 2023, the amount recognized was \$350,032 and \$304,744, respectively.

Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated and combined statement of activities and in the consolidated and combined statement of functional expenses. Salaries and related expenses 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 \$227,073 and \$202,981 for the year ended June 30, 2024 and 2023, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments Measured at Fair Value (Continued)

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).

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 3 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

The Organization is 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 entities that are not private foundations.

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 combined statement of financial position date for general expenditure as of June 30 are as follows:

	<u>2024</u>	<u>2023</u>
Financial assets		
Cash and cash equivalents	\$ 875,062	\$ 536,227
Investments	7,427,123	7,823,643
Pledges receivable, net	930,069	1,019,852
Other receivables	<u>215,254</u>	<u>22,270</u>
Total financial assets	9,447,508	9,401,992
Less: those unavailable for general expenditures within one year due to:		
Board designated funds functioning as endowment	(4,424,040)	(3,942,713)
Restricted by donor for purpose or time restriction	<u>(746,534)</u>	<u>(727,132)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,276,934</u>	<u>\$ 4,732,147</u>

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 pledges receivable. The Organization's pledges receivable 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 is as follows:

	<u>2024</u>	<u>2023</u>
Mutual funds- equities	\$ 4,487,407	\$ 4,812,552
Mutual funds- fixed income	<u>2,939,716</u>	<u>3,011,091</u>
	<u>\$ 7,427,123</u>	<u>\$ 7,823,643</u>

5. FAIR VALUE MEASUREMENTS

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

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>2024</u>				
Mutual funds - equities	\$ 4,487,407	\$ -	\$ -	\$ 4,487,407
Mutual funds - fixed income	2,939,716	-	-	2,939,716
Beneficial interest in perpetual trust	<u>-</u>	<u>-</u>	<u>616,006</u>	<u>616,006</u>
	<u>\$ 7,427,123</u>	<u>\$ -</u>	<u>\$ 616,006</u>	<u>\$ 8,043,129</u>
<u>2023</u>				
Mutual funds - equities	\$ 4,812,552	\$ -	\$ -	\$ 4,812,552
Mutual funds - fixed income	3,011,091	-	-	3,011,091
Beneficial interest in perpetual trust	<u>-</u>	<u>-</u>	<u>563,929</u>	<u>563,929</u>
	<u>\$ 7,823,643</u>	<u>\$ -</u>	<u>\$ 563,929</u>	<u>\$ 8,387,572</u>

6. PROPERTY AND EQUIPMENT

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

	<u>2024</u>	<u>2023</u>
Land	\$ -	\$ 102,300
Building and building improvements	-	911,609
Office equipment	879,328	561,569
Construction in progress	<u>186,499</u>	<u>528,859</u>
	1,065,827	2,104,337
Less: Accumulated depreciation	<u>(352,686)</u>	<u>(1,214,367)</u>
	<u>\$ 713,141</u>	<u>\$ 889,970</u>

Depreciation expense for the years ended June 30, 2024 and 2023 was approximately \$214,000 and \$62,000, respectively.

7. LEASES

Lessee arrangements

The Organization leases office space and equipment under the terms of operating and finance lease agreements, respectively. The operating lease expires in 2031 and the finance leases expire in 2026.

The components of total lease cost for the year ended June 30 are as follows:

	<u>2024</u>	<u>2023</u>
Finance lease cost:		
Amortization of right-of-use assets	\$ 3,821	\$ 3,821
Interest on lease liabilities	277	383
Operating lease cost	<u>477,870</u>	<u>477,870</u>
Total lease costs	<u>\$ 481,968</u>	<u>\$ 482,074</u>

Maturities of Financing and operating lease liabilities as of June 30, 2024 were as follows:

	<u>Financing</u>	<u>Operating</u>
2024	\$ 4,040	\$ 442,786
2025	4,040	457,177
2026	80	472,035
2027	-	487,376
2028	-	503,216
Thereafter	<u>-</u>	<u>1,332,973</u>
Total undiscounted cash flows	8,160	3,695,565
Less: present value discount	<u>(222)</u>	<u>(381,731)</u>
Total present value of lease liability	7,938	3,313,833
Less: current portion	<u>(3,873)</u>	<u>(323,236)</u>
Long-term portion of lease liability	<u>\$ 4,065</u>	<u>\$ 2,990,597</u>

7. LEASES (Continued)

Supplemental cash flow information related to leases for the year ended June 30 are as follows:

Cash paid for amounts included in the measurement of lease liabilities:

	<u>2024</u>	<u>2023</u>
Operating cash flows from finance leases	\$ 286	\$ 355
Financing cash flows from finance leases	\$ 3,754	\$ 3,685
Operating cash flows from operating leases	\$ 428,848	\$ 415,350

Right-of-use assets obtained in exchange for lease obligations:

	<u>2024</u>	<u>2023</u>
ROU assets obtained in exchange for lease obligations:		
Finance leases	\$ -	\$ 15,359
Operating leases	\$ -	\$ 3,949,735

Other information related to leases as of June 30 is as follows:

	<u>2024</u>	<u>2023</u>
Weighted-average remaining lease term:		
Finance leases	2 years	3 years
Operating leases	8 years	9 years

Total rent expense for the year ended June 30, 2024 and 2023 was \$585,473 and \$513,527, respectively.

8. LINE-OF-CREDIT

The Organization has a line-of-credit with Saratoga National Bank. Borrowings against the line are due on demand and interest is payable monthly at the Bank's prime rate plus one percent (7.75% at June 30, 2024), with a floor percentage of 7.75%. The balance is secured by all assets of the Organization. At June 30, 2024 there was no balance outstanding. At June 30, 2023 there was an \$800,000 balance outstanding.

9. NET ASSETS

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

	<u>2024</u>	<u>2023</u>
Percy Waller Perpetual Charitable Trust	\$ 616,006	\$ 563,929
Bequests from estates to be held in perpetuity	122,746	113,538
Capital City Fund	-	37,888
Picciocca Scholarship Fund	<u>7,782</u>	<u>11,777</u>
	<u>\$ 746,534</u>	<u>\$ 727,132</u>

9. NET ASSETS (Continued)

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

	<u>2024</u>	<u>2023</u>
Funds functioning as endowment	\$ 4,424,040	\$ 3,942,713
Mackenzie Scott Grant Fund	<u>2,364,942</u>	<u>3,260,653</u>
	<u>\$ 6,788,982</u>	<u>\$ 7,203,366</u>

Mackenzie Scott Grant Fund

In December of 2020, UWGCR was awarded a \$5 million donation from author and philanthropist MacKenzie Scott.

UWGCR was selected as one of 384 non-profits across the country recognized for their effective response and recovery work including both filling basic needs and addressing systemic inequities.

In her announcement on Medium, Scott said,

“These 384 carefully selected teams have dedicated their lives to helping others, working and volunteering and serving real people face-to-face at bedsides and tables, in prisons and courtrooms and classrooms, on streets and hospital wards and hotlines and frontlines of all types and sizes, day after day after day. They help by delivering vital services, and also through the profound encouragement felt each time a person is seen, valued, and trusted by another human being.”

Changes in the Mackenzie Scott Grant Fund are as follows:

Beginning balance - July 1, 2023	\$ 3,260,653
Additions	-
Community investment distributions	(1,254,020)
Grant expenditures	-
Fees	(14,215)
Investment gains/(losses)	<u>372,524</u>
Ending net assets - June 30, 2024	<u>\$ 2,364,942</u>

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 gain (loss) in the value of this Trust in the amount of \$52,077 and \$28,460 for the year ended June 30, 2024 and 2023, respectively.

9. NET ASSETS (Continued)

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.

10. 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 year ended June 30, 2024 and 2023, the employer contribution was \$32,741 and \$42,889, 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.

11. 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.

Endowment net asset composition as of June 30 is as follows:

	<u>Board Designated</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>June 30, 2024:</u>			
Endowment funds	<u>\$ 4,424,040</u>	<u>\$ 729,066</u>	<u>\$ 5,153,106</u>
<u>June 30, 2023:</u>			
Endowment funds	<u>\$ 3,942,713</u>	<u>\$ 676,989</u>	<u>\$ 4,619,702</u>

11. ENDOWMENT (Continued)

Changes in endowment net assets for the year ended June 30, 2024 are as follows:

<u>Description</u>	<u>Board Designated</u>	<u>With Restrictions</u>	<u>Total</u>
Endowment net assets - July 1, 2023	\$ 3,942,713	\$ 676,989	\$ 4,619,702
Releases	-	-	-
Net appreciation	<u>481,327</u>	<u>52,077</u>	<u>533,404</u>
Endowment net assets - June 30, 2024	<u>\$ 4,424,040</u>	<u>\$ 729,066</u>	<u>\$ 5,153,106</u>

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.

Return Objectives and Risk Parameters (Continued)

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, 2024. 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.

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, 2024 and 2023, all income related to net assets with restrictions have been expended consistent with donor intent.

12. CONTRIBUTED NONFINANCIAL ASSETS

The Organization recognized contributed nonfinancial assets within revenue, including but not limited to: household goods, food, medical supplies, clothing, and services. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

For the year ended June 30, contributed nonfinancial assets recognized within the combined statement of activities include:

	<u>2024</u>	<u>2023</u>
Household Goods	\$ 52,133	\$ 11,128
Food	4,869	856
Services	<u>293,030</u>	<u>292,760</u>
	<u>\$ 350,032</u>	<u>\$ 304,744</u>

It is the Organization's policy to sell all contributed vehicles immediately upon receipt at auction or for salvage unless the vehicle is restricted for use in a specific program by the donor. No vehicles were received during the period.

Contributed food was utilized for events to raise funds for Organization's programs. Contributed household goods were distributed to our nonprofit partners to help support their programs. In valuing household goods, food, clothing, and medical supplies, the Organization estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.

Contributed services recognized comprise professional services from video production, audio, and visual services at events, United Way Worldwide negotiated in-kind advertising, volunteer time for income tax preparation, etc. Contributed services are valued and are reported at the estimated fair value in the combined financial statements based on current rates for similar services.

13. SUBSEQUENT EVENTS

Subsequent events have been evaluated through July 30, 2025, which is the date these consolidated and combined financial statements were available to be issued.

UNITED WAY OF THE GREATER CAPITAL REGION, INC. AND
AFFILIATES

Schedule I

CONSOLIDATING AND COMBINING SCHEDULE OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2024

(With Comparative Totals for 2023)

	United Way of the Greater Capital Region, Inc.	The Blake Annex	Eliminations	Consolidated Total	State Employees Federated Appeal	Eliminations	2024 Consolidated & Combined Total	2023 Consolidated & Combined Total
ASSETS								
Cash and cash equivalents	\$ 358,860	\$ 39,765	\$ -	\$ 398,625	\$ 476,437	\$ -	\$ 875,062	\$ 536,227
Investments	7,427,123	-	-	7,427,123	-	-	7,427,123	7,823,643
Pledges receivable, net	601,609	-	-	601,609	328,460	-	930,069	1,019,852
Other receivables	190,059	25,195	-	215,254	-	-	215,254	22,720
Loan Receivable	155,640	-	(155,640)	-	-	-	-	-
Due from affiliates	707,548	110,400	(776,156)	41,792	-	(41,792)	-	-
Prepaid expenses	-	-	-	-	-	-	-	8,113
Property and equipment, net	549,702	163,439	-	713,141	-	-	713,141	889,970
Beneficial interest in perpetual trust	616,006	-	-	616,006	-	-	616,006	563,929
Operating Right of Use Asset	-	3,234,181	-	3,234,181	-	-	3,234,181	3,611,694
Finance Right of Use Asset	-	7,717	-	7,717	-	-	7,717	11,538
	<u>\$ 10,606,547</u>	<u>\$ 3,580,697</u>	<u>\$ (931,796)</u>	<u>\$ 13,255,448</u>	<u>\$ 804,897</u>	<u>\$ (41,792)</u>	<u>\$ 14,018,553</u>	<u>\$ 14,487,686</u>
LIABILITIES AND NET ASSETS								
LIABILITIES:								
Line of credit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 800,000
Accounts payable and accrued expenses	340,791	154,788	(110,400)	385,179	-	-	385,179	307,562
Grants and investments payable	225,000	665,756	(665,756)	225,000	41,792	(41,792)	225,000	937,512
Related party loan payable	-	155,640	(155,640)	-	-	-	-	-
Due to designated agencies	158,265	-	-	158,265	642,057	-	800,322	480,520
Deferred revenue	-	7,247	-	7,247	-	-	7,247	31,404
Operating lease liability	-	3,341,637	-	3,341,637	-	-	3,341,637	3,669,004
Finance lease liability	-	7,938	-	7,938	-	-	7,938	11,701
	<u>724,056</u>	<u>4,333,006</u>	<u>(931,796)</u>	<u>4,125,266</u>	<u>683,849</u>	<u>(41,792)</u>	<u>4,767,323</u>	<u>6,237,703</u>
NET ASSETS:								
Without donor restrictions -								
Undesignated	2,346,975	(752,309)	-	1,594,666	121,048	-	1,715,714	319,485
Board designated	6,788,982	-	-	6,788,982	-	-	6,788,982	7,203,366
Total without donor restrictions	9,135,957	(752,309)	-	8,383,648	121,048	-	8,504,696	7,522,851
With donor restrictions -	746,534	-	-	746,534	-	-	746,534	727,132
	<u>9,882,491</u>	<u>(752,309)</u>	<u>-</u>	<u>9,130,182</u>	<u>121,048</u>	<u>-</u>	<u>9,251,230</u>	<u>8,249,983</u>
	<u>\$ 10,606,547</u>	<u>\$ 3,580,697</u>	<u>\$ (931,796)</u>	<u>\$ 13,255,448</u>	<u>\$ 804,897</u>	<u>\$ (41,792)</u>	<u>\$ 14,018,553</u>	<u>\$ 14,487,686</u>

The accompanying notes are an integral part of these schedules.

UNITED WAY OF THE GREATER CAPITAL REGION, INC. AND AFFILIATES

Schedule II

**CONSOLIDATING AND COMBINING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Totals for 2023)**

	United Way of the Greater Capital Region, Inc.			The Blake Annex, Inc.		Consolidated Total	State Employees Federated Appeal		2024 Consolidated & Combined Totals	2023 Consolidated & Combined Totals
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	Eliminations		Without Donor Restrictions	Eliminations		
SUPPORT, REVENUE, AND GAINS:										
Support:										
Contributions received	\$ 2,141,370	\$ -	\$ 2,141,370	\$ -	\$ -	\$ 2,141,370	\$ 519,897	\$ -	\$ 2,661,267	\$ 2,215,576
Less: Donor designations	(233,177)	-	(233,177)	-	-	(233,177)	(358,151)	-	(591,328)	(566,313)
Allowance for uncollectible pledges	(285,000)	-	(285,000)	-	-	(285,000)	-	-	(285,000)	(263,598)
Subtotal	1,623,193	-	1,623,193	-	-	1,623,193	161,746	-	1,784,939	1,385,665
Grants	330,538	-	330,538	-	-	330,538	-	-	330,538	585,295
Contributed goods and services	350,032	-	350,032	-	-	350,032	-	-	350,032	304,744
Legacies and bequests	326,626	-	326,626	-	-	326,626	-	-	326,626	37,678
Participant fees	-	-	-	486,393	-	486,393	-	-	486,393	574,653
Sponsorships	109,226	-	109,226	45	-	109,271	-	-	109,271	351,950
Events	63,033	-	63,033	-	-	63,033	-	-	63,033	208,563
Total support	2,802,648	-	2,802,648	486,438	-	3,289,086	161,746	-	3,450,832	3,448,548
Revenue and gains:										
Federated campaign income	71,802	-	71,802	-	-	71,802	-	(71,802)	-	-
Contract revenue	352,490	-	352,490	-	(352,490)	-	-	-	-	-
Interest and dividends	301,000	-	301,000	-	-	301,000	-	-	301,000	290,169
Gain (loss) on investments	566,126	9,208	566,334	-	-	566,334	-	-	566,334	422,200
Gain (loss) on fixed assets	574,087	-	574,087	-	-	574,087	-	-	574,087	-
Miscellaneous	268,509	-	268,509	-	-	268,509	385	-	268,894	5,611
Gain (loss) on beneficial interest in trust	-	52,077	52,077	-	-	52,077	-	-	52,077	28,460
Net assets released from restriction	41,883	(41,883)	-	-	-	-	-	-	-	-
Total revenue and gains	2,165,897	19,402	2,185,299	-	(352,490)	1,832,809	385	(71,802)	1,761,392	746,440
Total support, revenue, and gains	4,968,545	19,402	4,987,947	486,438	(352,490)	5,121,895	162,131	(71,802)	5,212,224	4,194,988
EXPENSES:										
Program services:										
Community impact	1,445,253	-	1,445,253	-	-	1,445,253	-	-	1,445,253	2,864,918
SEFA	17,714	-	17,714	-	-	17,714	75,891	(71,802)	21,803	66,453
The Blake Annex	285,110	-	285,110	928,804	(352,490)	861,424	-	-	861,424	841,808
Total program services	1,748,077	-	1,748,077	928,804	(352,490)	2,324,391	75,891	(71,802)	2,328,480	3,773,179
Supporting services:										
Management and general	591,295	-	591,295	-	-	591,295	-	-	591,295	477,975
Fundraising	1,291,202	-	1,291,202	-	-	1,291,202	-	-	1,291,202	1,100,354
Total supporting services	1,882,497	-	1,882,497	-	-	1,882,497	-	-	1,882,497	1,578,329
Total expenses	3,630,574	-	3,630,574	928,804	(352,490)	4,206,888	75,891	(71,802)	4,210,977	5,351,508
CHANGE IN NET ASSETS	1,337,971	19,402	1,357,373	(442,366)	-	915,007	86,240	-	1,001,247	(1,156,520)
NET ASSETS - beginning of year	7,797,986	727,132	8,525,118	(309,943)	-	8,215,175	34,808	-	8,249,983	9,406,503
NET ASSETS - end of year	\$ 9,135,957	\$ 746,534	\$ 9,882,491	\$ (752,309)	\$ -	\$ 9,130,182	\$ 121,048	\$ -	\$ 9,251,230	\$ 8,249,983

The accompanying notes are an integral part of these schedules.