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

Consolidated and Combined Financial Statements as of
June 30, 2023
Together with
Independent Auditor's Report

Bonadio & Co., LLP
Certified Public Accountants

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

February 29, 2024

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 statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to 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, 2023, 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.

Emphasis of Matter

As discussed in Note 13 to the financial statements, the 2022 financial statements have been restated to adjust net assets to consolidate The Blake Annex. Our opinion is not modified with respect to this matter.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, the Organization adopted Accounting Standards Codification 842, *Leases*, as of July 1, 2022. Our opinion is not modified with respect to that matter.

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.

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(Continued)

Responsibilities of Management for the Financial Statements (Continued)
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.

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 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.

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INDEPENDENT AUDITOR'S REPORT
(Continued)

Report on Supplemental Information (Continued)
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, 2023

ASSETS	
Cash and cash equivalents	$ 536,227
Investments	7,823,643
Pledges receivable, net	1,019,852
Other receivables	22,720
Prepaid expenses	8,113
Property and equipment, net	889,970
Beneficial interest in perpetual trust	563,929
Operating Right of Use Asset	3,611,694
Finance Right of Use Asset	11,538
	$ 14,487,686
LIABILITIES AND NET ASSETS	
LIABILITIES:	
Line of credit	$ 800,000
Accounts payable and accrued expenses	307,562
Grants and investments payable	937,512
Due to designated agencies	480,520
Deferred revenue	31,404
Operating lease liability	3,669,004
Finance lease liability	11,701
Total liabilities	6,237,703
NET ASSETS:	
Without donor restrictions -	
Undesignated	319,485
Board designated	7,203,366
Total without donor restrictions	7,522,851
With donor restrictions -	727,132
Total net assets	8,249,983
	$ 14,487,686

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, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT, REVENUE AND GAINS:			
Support -			
Contributions received	$ 2,203,799	$ 11,777	$ 2,215,576
Less: Donor designations	(566,313)	-	(566,313)
Allowance for uncollectible pledges	(263,598)	-	(263,598)
Subtotal	1,373,888	11,777	1,385,665
Grants	585,295	-	585,295
Contributed goods and services	304,744	-	304,744
Legacies and bequests	37,678	-	37,678
Participant fees	574,653	-	574,653
Sponsorships	351,950	-	351,950
Events	208,563	-	208,563
Total support	3,436,771	11,777	3,448,548
Revenue and gains -			
Interest and dividends	290,169	-	290,169
Gain (loss) on investments	422,200	-	422,200
Miscellaneous	5,611	-	5,611
Gain (loss) on beneficial interest in trust	-	28,460	28,460
Net assets released from restriction	24,563	(24,563)	-
Total revenue and gains	742,543	3,897	746,440
Total support, revenue, and gains	4,179,314	15,674	4,194,988
EXPENSES:			
Program services	3,773,179	-	3,773,179
Supporting services:			
Management and general	477,975	-	477,975
Fundraising	1,100,354	-	1,100,354
Total supporting services	1,578,329	-	1,578,329
Total expenses	5,351,508	-	5,351,508
CHANGE IN NET ASSETS	(1,172,194)	15,674	(1,156,520)
NET ASSETS - beginning of year, as previously reported	8,663,218	711,458	9,374,676
PRIOR PERIOD ADJUSTMENT (Note 13)	31,827	-	31,827
NET ASSETS - beginning of year, as restated	8,695,045	711,458	9,406,503
NET ASSETS - end of year	$ 7,522,851	$ 727,132	$ 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, 2023

	Program				Management		
		The Blake		Total	and		
	United Way	Annex	SEFA	Program	General	Fundraising	Total
Salaries and payroll taxes	$ 312,545	$ -	$ 24,316	$ 336,861	$ 134,201	$ 603,899	$ 1,074,961
Retirement expenses	15,826	-	466	16,292	8,755	18,309	43,356
Other employee benefits	31,049	467	1,906	33,422	9,427	55,714	98,563
Contract and grant funded payroll expenses	220,363	203,299	-	423,662	108,065	20	531,747
Total salaries and related expenses	579,783	203,766	26,688	810,237	260,448	677,942	1,748,627
Community Care Fund distributions	1,474,993	-	-	1,474,993	-	-	1,474,993
Professional fees and services	134,582	43,365	26,226	204,173	94,004	101,575	399,752
Occupancy	22,938	426,125	3,757	452,820	14,002	46,705	513,527
Contributed goods and services	277,110	-	-	277,110	-	27,134	304,244
Advertising, publicity and special events	43,593	3,565	4,820	51,978	19,843	131,160	202,981
Contract and grant funded expenses	200,156	69,455	-	269,611	-	-	269,611
Subscription and dues	31,710	9,221	1,366	42,297	20,685	40,750	103,732
Depreciation	7,005	34,061	52	41,118	4,203	16,812	62,133
Other community distributions	48,385	-	-	48,385	-	83	48,468
Employee expenses	9,899	4,438	3,061	17,398	12,029	17,130	46,557
General office supplies and printing	3,201	31,098	-	34,299	3,717	2,977	40,993
Telephone and postage	6,598	10,650	365	17,613	4,663	11,713	33,989
Interest	-	2,208	-	2,208	28,154	-	30,362
Insurance	5,090	2,137	-	7,227	2,653	12,268	22,148
Equipment, software and hardware	4,280	1,438	-	5,718	9,600	6,615	21,933
Miscellaneous	11,382	281	-	11,663	1,731	523	13,917
Travel and related costs	4,213	-	118	4,331	2,243	6,965	13,539
	$ 2,864,918	$ 841,808	$ 66,453	$ 3,773,179	$ 477,975	$ 1,100,354	$ 5,351,508

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, 2023

CASH FLOW FROM OPERATING ACTIVITIES:	
Change in net assets	$ (1,156,520)
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	62,081
Non-cash lease expense	472,687
Provision for bad debts	(263,598)
(Gain) loss on investments	(422,200)
(Gain) loss on beneficial interest in trust	(28,460)
Changes in:	
Pledges receivable	572,489
Other receivables	2,325
Accounts payable and accrued expenses	(51,489)
Grants and investments payable	223,615
Deferred revenue	(5,696)
Due to designated agencies	640
Operating lease liability	(415,350)
Net cash flow from operating activities	(1,009,476)
CASH FLOW FROM INVESTING ACTIVITIES:	
Purchases of investments	(1,013,851)
Proceeds from sales of investments	1,606,631
Purchases of property and equipment	(569,069)
Net cash flow from investing activities	23,711
CASH FLOW FROM FINANCING ACTIVITIES:	
Borrowings on line of credit	845,000
Payments on line of credit	(45,000)
Repayment on lease liability	(3,685)
Net cash flow from financing activities	796,315
CHANGE IN CASH AND CASH EQUIVALENTS	(189,450)
CASH AND CASH EQUIVALENTS - beginning of year, as previously reported	640,223
PRIOR PERIOD ADJUSTMENT (Note 13)	85,454
CASH AND CASH EQUIVALENTS - beginning of year, as restated	725,677
CASH AND CASH EQUIVALENTS - end of year	$ 536,227

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 approximately $58,000 for the year ended June 30, 2023.

During 2023, 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 2023.

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 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 combined financial statements.

Change in Accounting Principles

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Codification (ASC) 842, *Leases* to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the standard effective July 1, 2022 using the modified retrospective approach and comparative financial information has not been restated.

The Organization elected the available practical expedients to account for the existing capital leases and operating leases as finance leases and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Change in Accounting Principles (Continued)
As a result of the adoption of the new lease accounting guidance, the Organization recognized on July 1, 2022 operating lease liabilities of $3,949,735, and operating right-of-use assets of $3,949,735. The Organization also recognized on July 1, 2022 finance lease liability of $15,359 and a finance lease right-of-use asset of $15,359. The standard did not have an impact on the statements of activities and change in net assets or cash flows.

FASB ASC 842 also requires lessors to classify leases as a sales-type, direct financing, or operating lease. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization elected the available practical expedients to not reassess under the new standard its prior conclusions about lease identification, lease classification, and initial direct costs. Adoption of the standard did not have a significant impact on the Organization’s 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 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 $215,549 as of June 30, 2023. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2023, the amount recognized was $304,744.

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 in the 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 $202,981 for the year ended June 30, 2023.

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 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 are as follows:

Financial assets	
Cash and cash equivalents	536,227
Investments	7,823,643
Pledges receivable, net	1,019,852
Other receivables	22,270
Beneficial Interest in perpetual trust	563,929
Total financial assets	9,965,921
Less: those unavailable for general expenditures within one year due to:	
Board designated funds functioning as endowment	(3,942,713)
Restricted by donor for purpose or time restriction	(727,132)
Financial assets available to meet cash needs for general expenditures within one year	$ 5,296,076

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, 2023 is as follows:

Mutual funds- equities	$ 4,812,552
Mutual funds- fixed income	3,011,091
	$ 7,823,643

5. FAIR VALUE MEASUREMENTS

The Organization's investments at fair value, within the fair value hierarchy, are as follows as of June 30, 2023:

Description	Level 1	Level 2	Level 3	Total
Mutual funds - equities	$ 4,812,552	$ -	$ -	$ 4,812,552
Mutual funds - fixed income	3,011,091	-	-	3,011,091
Beneficial interest in perpetual trust	-	-	563,929	563,929
	$ 7,823,643	$ -	$ 563,929	$ 8,387,572

6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30, 2023:

Land	$ 102,300
Building and building improvements	911,609
Office equipment	561,569
Construction in progress	528,859
	2,104,337
Less: Accumulated depreciation	(1,214,367)
	$ 889,970

Depreciation expense for the years ended June 30, 2023 was approximately $62,000.

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.

7. LEASES (Continued)

Lessee arrangements (continued)
The components of total lease cost for the year ended June 30 are as follows:

	2023
Finance lease cost:	
Amortization of right-of-use assets	$ 3,821
Interest on lease liabilities	383
Operating lease cost	477,870
Total lease costs	$ 482,074

Maturities of Financing and operating lease liabilities as of June 30, 2023 were as follows:

	Financing	Operating
2023	$ 4,040	$ 454,739
2024	4,040	442,786
2025	4,040	457,177
2026	80	472,035
2027	-	487,376
Thereafter	-	1,836,189
Total undiscounted cash flows	12,201	4,150,304
Less: present value discount	(500)	(481,300)
Total present value of lease liability	11,701	3,669,004
Less: current portion	(3,763)	(327,367)
Long-term portion of lease liability	$ 7,938	$ 3,341,637

Supplemental cash flow information related to leases for the year ended June 30, 2023 are as follows:

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

Operating cash flows from finance leases	$ 355
Financing cash flows from finance leases	$ 3,685
Operating cash flows from operating leases	$ 415,350

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

Finance leases	$ 15,359
Operating leases	$ 3,949,735

7. LEASES (Continued)

Lessee arrangements (continued)

Other information related to leases as of June 30, 2023 is as follows:

Weighted-average remaining lease term:	
Finance leases	3 years
Operating leases	9 years
Weighted-average discount rate:	
Finance leases	2.87%
Operating leases	2.88%

Total rent expense for the year ended June 30, 2023 was $513,527.

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, 2023), with a floor percentage of 7.75%. The balance is secured by all assets of the Organization. At June 30, 2023, there was a $800,000 balance outstanding.

9. NET ASSETS

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

Percy Waller Perpetual Charitable Trust	$ 563,929
Bequests from estates to be held in perpetuity	113,061
Capital City Fund	37,888
Picciocca Scholarship Fund	11,777
Other	477
	$ 727,132

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

Funds functioning as endowment	$ 3,942,713
Mackenzie Scott Grant Fund	3,260,653
	$ 7,203,366

9. NET ASSETS (Continued)

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, 2022	$ 4,355,638
Additions	-
Community investment distributions	(1,423,499)
Grant expenditures	-
Fees	(16,122)
Investment gains/(losses)	344,636
Ending net assets - June 30, 2023	$ 3,260,653

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 $28,460 for the year ended June 30, 2023.

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.

10. EMPLOYER RETIREMENT PLANS (Continued)

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, 2023, the employer contribution was $42,889.

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, 2023 is as follows:

	Board Designated	With Donor Restrictions	Total
June 30, 2023:			
Endowment funds	$ 3,942,713	$ 676,989	$ 4,619,702

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

Description	Board Designated	With Restrictions	Total
Endowment net assets - July 1, 2022	$ 3,736,333	$ 648,529	$ 4,384,862
Releases	-	-	-
Net appreciation	206,380	28,460	234,840
Endowment net assets - June 30, 2023	$ 3,942,713	$ 676,989	$ 4,619,702

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.

11. ENDOWMENT (Continued)

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, 2023. 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, 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.

12. CONTRIBUTED NONFINANCIAL ASSETS (Continued)

For the year ended June 30, 2023, contributed nonfinancial assets recognized within the combined statement of activities include:

Household Goods	$	11,128
Food		856
Services		292,760
	$	304,744

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. PRIOR PERIOD ADJUSTMENT – CONSOLIDATION OF THE BLAKE ANNEX

Net assets without donor restriction at July 1, 2022 increased by $31,827 from $8,663,218 to $8,695,045 to consolidate The Blake Annex. The change in net assets without donor restrictions for the year ended June 30, 2022 would have increased by $31,827 if The Blake Annex was consolidated with the United Way of the Greater Capital Region in the prior year. The Organization consolidated the entities to reduce and simplify the financial reporting for 2023 and going forward.

14. SUBSEQUENT EVENTS

Subsequent events have been evaluated through February 29, 2024, 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, 2023

	United Way of the Greater Capital Region, Inc.	The Blake Annex	Eliminations	Consolidated Total	State Employees Federated Appeal	Eliminations	Consolidated & Combined Total
ASSETS							
Cash and cash equivalents	$ 368,293	$ 20,336	$ -	$ 388,629	$ 147,598	$ -	$ 536,227
Investments	7,823,643	-	-	7,823,643	-	-	7,823,643
Pledges receivable, net	759,797	-	-	759,797	260,055	-	1,019,852
Other receivables	616	22,104	-	22,720	-	-	22,720
Loan Receivable	155,640	-	(155,640)	-	-	-	-
Due from affiliates	322,173	55,200	(357,383)	19,990	-	(19,990)	-
Prepaid expenses	8,113	-	-	8,113	-	-	8,113
Property and equipment, net	697,658	192,312	-	889,970	-	-	889,970
Beneficial interest in perpetual trust	563,929	-	-	563,929	-	-	563,929
Operating Right of Use Asset	-	3,611,694	-	3,611,694	-	-	3,611,694
Finance Right of Use Asset	-	11,538	-	11,538	-	-	11,538
	$ 10,699,862	$ 3,913,184	$ (513,023)	$ 14,100,023	$ 407,653	$ (19,990)	$ 14,487,686
LIABILITIES AND NET ASSETS							
LIABILITIES:							
Line of credit	$ 800,000	$ -	$ -	$ 800,000	$ -	$ -	$ 800,000
Accounts payable and accrued expenses	309,567	53,195	(55,200)	307,562	-	-	307,562
Grants and investments payable	937,512	302,183	(302,183)	937,512	19,990	(19,990)	937,512
Related party loan payable	-	155,640	(155,640)	-	-	-	-
Due to designated agencies	127,665	-	-	127,665	352,855	-	480,520
Deferred revenue	-	31,404	-	31,404	-	-	31,404
Operating lease liability	-	3,669,004	-	3,669,004	-	-	3,669,004
Finance lease liability	-	11,701	-	11,701	-	-	11,701
Total liabilities	2,174,744	4,223,127	(513,023)	5,884,848	372,845	(19,990)	6,237,703
NET ASSETS:							
Without donor restrictions -							
Undesignated	594,620	(309,943)	-	284,677	34,808	-	319,485
Board designated	7,203,366	-	-	7,203,366	-	-	7,203,366
Total without donor restrictions	7,797,986	(309,943)	-	7,488,043	34,808	-	7,522,851
With donor restrictions -	727,132	-	-	727,132	-	-	727,132
Total net assets	8,525,118	(309,943)	-	8,215,175	34,808	-	8,249,983
	$ 10,699,862	$ 3,913,184	$ (513,023)	$ 14,100,023	$ 407,653	$ (19,990)	$ 14,487,686

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, 2023

	United Way of the Greater Capital Region, Inc.			The Blake Annex, Inc.			State Employees Federated Appeal		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	Eliminations	Consolidated Total	Without Donor Restrictions	Eliminations	Consolidated & Combined Totals
SUPPORT, REVENUE, AND GAINS:									
Support:									
Contributions received	$ 1,660,311	$ 11,777	$ 1,672,088	$ -	$ -	$ 1,672,088	$ 543,488	$ -	$ 2,215,576
Less: Donor designations	(242,590)	-	(242,590)	-	-	(242,590)	(323,723)	-	(566,313)
Allowance for uncollectible pledges	(195,505)	-	(195,505)	-	-	(195,505)	(68,093)	-	(263,598)
Subtotal	1,222,216	11,777	1,233,993	-	-	1,233,993	151,672	-	1,385,665
Grants	585,295	-	585,295	-	-	585,295	-	-	585,295
Contributed goods and services	304,744	-	304,744	-	-	304,744	-	-	304,744
Legacies and bequests	37,678	-	37,678	-	-	37,678	-	-	37,678
Participant fees	-	-	-	574,653	-	574,653		-	574,653
Sponsorships	346,950	-	346,950	5,000	-	351,950	-	-	351,950
Events	208,563	-	208,563	-	-	208,563	-	-	208,563
Total support	2,705,446	11,777	2,717,223	579,653	-	3,296,876	151,672	-	3,448,548
Revenue and gains:									
Federated campaign income	71,552	-	71,552	-	-	71,552	-	(71,552)	-
Contract revenue	353,243	-	353,243	-	(353,243)	-	-	-	-
Interest and dividends	290,169	-	290,169	-	-	290,169	-	-	290,169
Gain (loss) on investments	422,200	-	422,200	-	-	422,200	-	-	422,200
Miscellaneous	5,315	-	5,315	-	-	5,315	296	-	5,611
Gain (loss) on beneficial interest in trust	-	28,460	28,460	-	-	28,460	-	-	28,460
Net assets released from restriction	24,563	(24,563)	-	-	-	-	-	-	-
Total revenue and gains	1,167,042	3,897	1,170,939	-	(353,243)	817,696	296	(71,552)	746,440
Total support, revenue, and gains	3,872,488	15,674	3,888,162	579,653	(353,243)	4,114,572	151,968	(71,552)	4,194,988
EXPENSES:									
Program services:									
Community impact	2,864,918	-	2,864,918	-	-	2,864,918	-	-	2,864,918
SEFA	63,815	-	63,815	-	-	63,815	74,190	(71,552)	66,453
The Blake Annex	273,628	-	273,628	921,423	(353,243)	841,808	-	-	841,808
Total program services	3,202,361	-	3,202,361	921,423	(353,243)	3,770,541	74,190	(71,552)	3,773,179
Supporting services:									
Management and general	477,975	-	477,975	-	-	477,975	-	-	477,975
Fundraising	1,100,354	-	1,100,354	-	-	1,100,354	-	-	1,100,354
Total supporting services	1,578,329	-	1,578,329	-	-	1,578,329	-	-	1,578,329
Total expenses	4,780,690	-	4,780,690	921,423	(353,243)	5,348,870	74,190	(71,552)	5,351,508
CHANGE IN NET ASSETS	(908,202)	15,674	(892,528)	(341,770)	-	(1,234,298)	77,778	-	(1,156,520)
NET ASSETS - beginning of year, as previously reported	8,706,188	711,458	9,417,646	-	-	9,417,646	(42,970)	-	9,374,676
PRIOR PERIOD ADJUSTMENT (Note 13)	-	-	-	31,827	-	31,827	-	-	31,827
NET ASSETS - beginning of year, as restated	8,706,188	711,458	9,417,646	31,827	-	9,449,473	(42,970)	-	9,406,503
NET ASSETS - end of year	$ 7,797,986	$ 727,132	$ 8,525,118	$ (309,943)	$ -	$ 8,215,175	$ 34,808	$ -	$ 8,249,983

The accompanying notes are an integral part of these schedules.