

**UNITED WAY
OF THE SOUTHERN TIER, INC.**

FINANCIAL STATEMENTS

JUNE 30, 2025

UNITED WAY OF THE SOUTHERN TIER, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of the United Way of the Southern Tier, Inc.
Corning, New York

Opinion

We have audited the accompanying financial statements of the United Way of the Southern Tier, Inc. (a nonprofit organization) which comprise the statements of financial position as of June 30, 2025 and 2024 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the United Way of the Southern Tier, Inc. as of June 30, 2025 and 2024, and the related changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 United Way of the Southern Tier, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the United Way of the Southern Tier, Inc.'s ability to continue as a going concern within one year after the date that the 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 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 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the 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 United Way of the Southern Tier, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the United Way of the Southern Tier, Inc.'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.

EFPR Group, CPAs, PLLC

EFPR Group, CPAs, PLLC
Corning, New York
March 23, 2026

UNITED WAY OF THE SOUTHERN TIER, INC.
Statements of Financial Position
June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 450,318	\$ 600,544
Accounts receivable, net of allowance for credit losses of \$- as of both June 30 2025 and 2024.	-	39
Pledges receivable, net of allowance for doubtful accounts of \$280,962 and \$103,650, as of June 30 2025 and 2024, respectively.	1,720,673	1,678,646
Prepaid expenses	18,907	12,358
Investments - unrestricted	3,430,414	3,352,054
Investments - restricted	333,579	471,295
Endowment	318,010	318,010
Total current assets	<u>6,271,901</u>	<u>6,432,946</u>
Property and Equipment - Net	<u>10,242</u>	<u>7,550</u>
Other Assets		
Beneficial interests in perpetual trust	66,487	61,449
Right-of-use asset - net	67,170	21,766
Total other assets	<u>133,657</u>	<u>83,215</u>
Total Assets	<u>\$ 6,415,800</u>	<u>\$ 6,523,711</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 85,912	\$ 74,233
Allocations payable	1,933,893	2,385,196
Due to other agencies	632,283	824,933
Deferred revenue	43,500	165,080
Lease liability - current portion	22,081	21,766
Total current liabilities	<u>2,717,669</u>	<u>3,471,208</u>
Long-Term Liabilities		
Lease liability - long-term portion	<u>45,089</u>	<u>-</u>
Total Liabilities	<u>2,762,758</u>	<u>3,471,208</u>
Net Assets		
Net assets without donor restriction	2,574,526	1,965,618
Net assets with donor restriction	1,078,516	1,086,885
Total net assets	<u>3,653,042</u>	<u>3,052,503</u>
Total Liabilities and Net Assets	<u>\$ 6,415,800</u>	<u>\$ 6,523,711</u>

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

UNITED WAY OF THE SOUTHERN TIER, INC.
Statements of Activities
For the Years Ended June 30, 2025 and 2024

	<u>2025</u>			<u>2024</u>		
	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Public Support						
Total campaign support	\$ 3,145,509	\$ 269,754	\$ 3,415,263	\$ 3,137,807	\$ 159,538	\$ 3,297,345
Campaign net assets released from restrictions	134,538	(134,538)	-	150,000	(150,000)	-
	<u>3,280,047</u>	<u>135,216</u>	<u>3,415,263</u>	<u>3,287,807</u>	<u>9,538</u>	<u>3,297,345</u>
Donor designations	(663,690)	-	(663,690)	(304,678)	-	(304,678)
Provisions for uncollectible pledges	(103,424)	-	(103,424)	(122,716)	-	(122,716)
Net campaign support	2,512,933	135,216	2,648,149	2,860,413	9,538	2,869,951
In-kind contributions	36,568	-	36,568	37,785	-	37,785
Other contributions	233,482	-	233,482	121,377	-	121,377
Designations from other United Ways	536,149	-	536,149	16,667	-	16,667
Other net assets released from restriction	148,623	(148,623)	-	175,045	(175,045)	-
Total public support	<u>3,467,755</u>	<u>(13,407)</u>	<u>3,454,348</u>	<u>3,211,287</u>	<u>(165,507)</u>	<u>3,045,780</u>
Revenues						
Investment income	148,596	11,283	159,879	110,779	4,447	115,226
Service fee	92,797	-	92,797	110,657	-	110,657
Special events, net of direct expenses of \$46,183 and \$40,082 in 2025 and 2024	76,491	-	76,491	126,325	-	126,325
Miscellaneous	1,145	-	1,145	1,136	-	1,136
Unrealized gain (loss) on investments	87,418	10,319	97,737	(148,925)	(20,370)	(169,295)
Realized gain on investments	36,880	4,698	41,578	249,014	32,156	281,170
Investment earnings released from restrictions	21,262	(21,262)	-	8,620	(8,620)	-
Total revenues	<u>464,589</u>	<u>5,038</u>	<u>469,627</u>	<u>457,606</u>	<u>7,613</u>	<u>465,219</u>
Total Public Support and Revenues	<u>3,932,344</u>	<u>(8,369)</u>	<u>3,923,975</u>	<u>3,668,893</u>	<u>(157,894)</u>	<u>3,510,999</u>
Expenses						
Program Services						
Gross funds awarded	3,007,695	-	3,007,695	2,852,150	-	2,852,150
Less, donor designations	(663,690)	-	(663,690)	(304,678)	-	(304,678)
Net funds awarded	2,344,005	-	2,344,005	2,547,472	-	2,547,472
Community building & community investment	346,300	-	346,300	354,594	-	354,594
Total program services	<u>2,690,305</u>	<u>-</u>	<u>2,690,305</u>	<u>2,902,066</u>	<u>-</u>	<u>2,902,066</u>
Supporting Services						
Fundraising	213,808	-	213,808	211,218	-	211,218
Management and general	419,323	-	419,323	377,686	-	377,686
Total supporting services	<u>633,131</u>	<u>-</u>	<u>633,131</u>	<u>588,904</u>	<u>-</u>	<u>588,904</u>
Total Expenses	<u>3,323,436</u>	<u>-</u>	<u>3,323,436</u>	<u>3,490,970</u>	<u>-</u>	<u>3,490,970</u>
Changes in Net Assets	608,908	(8,369)	600,539	177,923	(157,894)	20,029
Net Assets - Beginning	<u>1,965,618</u>	<u>1,086,885</u>	<u>3,052,503</u>	<u>1,787,695</u>	<u>1,244,779</u>	<u>3,032,474</u>
Net Assets - Ending	<u>\$ 2,574,526</u>	<u>\$ 1,078,516</u>	<u>\$ 3,653,042</u>	<u>\$ 1,965,618</u>	<u>\$ 1,086,885</u>	<u>\$ 3,052,503</u>

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

UNITED WAY OF THE SOUTHERN TIER, INC.
Statements of Cash Flows
For the Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flows from Operating Activities		
Changes in net assets	\$ 600,539	\$ 20,029
Adjustments		
Provisions for uncollectible pledges	103,424	122,716
Realized gain on investments	(41,578)	(281,170)
Unrealized (gain) loss on investments	(97,737)	169,295
Depreciation	3,605	3,804
Net change in beneficial interests in perpetual trust	(5,038)	(7,613)
Changes in assets and liabilities		
Accounts receivable	39	(39)
Pledges receivable	(145,451)	268,192
Prepaid expenses	(6,549)	7,199
Accounts payable and accrued expenses	11,679	22,275
Allocations payable	(451,303)	(329,715)
Due to other agencies	(192,650)	(44,649)
Deferred revenue	(121,580)	(12,595)
Net cash flows from operating activities	<u>(342,600)</u>	<u>(62,271)</u>
Cash Flows from Investing Activities		
Sale of investments	553,379	2,044,231
Purchase of investments	(354,708)	(1,978,239)
Purchase of property and equipment	(6,297)	(2,857)
Net cash flows from investing activities	<u>192,374</u>	<u>63,135</u>
Net Change in Cash and Cash Equivalents	(150,226)	864
Cash and Cash Equivalents - Beginning	<u>600,544</u>	<u>599,680</u>
Cash and Cash Equivalents - Ending	<u>\$ 450,318</u>	<u>\$ 600,544</u>
Cash Paid for Amounts Included in Measurement of Lease Liabilities		
Operating lease principal payments	<u>\$ 21,766</u>	<u>\$ 21,493</u>
Lease Assets Obtained in Exchange for Lease Liabilities		
Operating leases	<u>\$ 67,170</u>	<u>\$ -</u>

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

UNITED WAY OF THE SOUTHERN TIER, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2025
(With Comparative Totals for 2024)

	<u>PROGRAM SERVICES</u>			<u>SUPPORTING SERVICES</u>		<u>Total Functional Expenses</u>	
	<u>Community Building</u>	<u>Community Investment</u>	<u>Total Program Services</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>2025</u>	<u>2024</u>
Expenses							
Impact grants/awards	\$ -	\$ 3,007,695	\$ 3,007,695	\$ -	\$ -	\$ 3,007,695	\$ 2,852,150
(Less donor designations)	-	(663,690)	(663,690)	-	-	(663,690)	(304,678)
Sub-Total	-	2,344,005	2,344,005	-	-	2,344,005	2,547,472
Salaries	56,379	85,021	141,400	114,858	160,018	416,276	447,449
Employee benefits	7,070	10,661	17,731	14,403	20,067	52,201	50,867
Payroll taxes	4,813	7,257	12,070	9,804	13,659	35,533	39,595
Sub-Total	68,262	102,939	171,201	139,065	193,744	504,010	537,911
Professional fees	-	-	-	-	59,456	59,456	65,740
Supplies	355	512	867	692	1,070	2,629	2,222
Telephone	269	407	676	549	766	1,991	2,218
Postage and shipping	290	513	803	2,635	2,756	6,194	2,840
Occupancy	2,950	4,448	7,398	6,009	8,373	21,780	21,510
Leases and software maintenance	2,097	3,162	5,259	9,307	82,132	96,698	35,326
Printing and publications	-	-	-	-	194	194	225
Transportation	182	130	312	541	73	926	1,594
Conferences and meetings	1,436	637	2,073	1,154	4,825	8,052	9,001
Marketing	4,099	2,088	6,187	1,275	681	8,143	6,171
Miscellaneous	26	40	66	14,579	14,200	28,845	8,593
Mobilization and engagement	674	-	674	-	-	674	3,109
Insurance	1,174	1,770	2,944	2,391	3,330	8,665	7,242
Campaign expenses	-	-	-	9,119	-	9,119	14,134
Payments to United Way Worldwide	-	-	-	-	40,639	40,639	43,255
Strategy-Aligned expenses	5,441	135,802	141,243	-	-	141,243	140,818
In-kind expenses	2,346	3,027	5,373	25,497	5,698	36,568	37,785
Depreciation	488	736	1,224	995	1,386	3,605	3,804
Sub-Total	21,827	153,272	175,099	74,743	225,579	475,421	405,587
Total Functional Expenses	\$ 90,089	\$ 2,600,216	\$ 2,690,305	\$ 213,808	\$ 419,323	\$ 3,323,436	\$ 3,490,970

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

UNITED WAY OF THE SOUTHERN TIER, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2024

	<u>PROGRAM SERVICES</u>			<u>SUPPORTING SERVICES</u>		<u>Total Functional Expenses</u>
	<u>Community Building</u>	<u>Community Investment</u>	<u>Total Program Services</u>	<u>Fundraising</u>	<u>Management and General</u>	
Expenses						
Impact grants/awards	\$ -	\$ 2,852,150	\$ 2,852,150	\$ -	\$ -	\$ 2,852,150
(Less donor designations)	-	(304,678)	(304,678)	-	-	(304,678)
Sub-Total	<u>-</u>	<u>2,547,472</u>	<u>2,547,472</u>	<u>-</u>	<u>-</u>	<u>2,547,472</u>
Salaries	60,601	91,388	151,989	123,459	172,001	447,449
Employee benefits	6,889	10,389	17,278	14,035	19,554	50,867
Payroll taxes	5,363	8,087	13,450	10,925	15,220	39,595
Sub-Total	<u>72,853</u>	<u>109,864</u>	<u>182,717</u>	<u>148,419</u>	<u>206,775</u>	<u>537,911</u>
Professional fees	-	-	-	-	65,740	65,740
Supplies	300	433	733	585	904	2,222
Telephone	300	453	753	612	853	2,218
Postage and shipping	133	235	368	1,208	1,264	2,840
Occupancy	2,913	4,393	7,306	5,935	8,269	21,510
Leases and software maintenance	766	1,155	1,921	3,400	30,005	35,326
Printing and publications	-	-	-	-	225	225
Transportation	314	223	537	932	125	1,594
Conferences and meetings	1,608	712	2,320	1,290	5,391	9,001
Marketing	3,106	1,582	4,688	966	517	6,171
Miscellaneous	8	12	20	4,343	4,230	8,593
Mobilization and engagement	3,109	-	3,109	-	-	3,109
Insurance	981	1,479	2,460	1,998	2,784	7,242
Campaign expenses	-	-	-	14,134	-	14,134
Payments to United Way Worldwide	-	-	-	-	43,255	43,255
Strategy-Aligned expenses	5,425	135,393	140,818	-	-	140,818
In-kind expenses	2,424	3,128	5,552	26,346	5,887	37,785
Depreciation	515	777	1,292	1,050	1,462	3,804
Sub-Total	<u>21,902</u>	<u>149,975</u>	<u>171,877</u>	<u>62,799</u>	<u>170,911</u>	<u>405,587</u>
Total Functional Expenses	<u>\$ 94,755</u>	<u>\$ 2,807,311</u>	<u>\$ 2,902,066</u>	<u>\$ 211,218</u>	<u>\$ 377,686</u>	<u>\$ 3,490,970</u>

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

UNITED WAY OF THE SOUTHERN TIER, INC.
Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies and Nature of Operations

Nature of Operations - United Way of the Southern Tier, Inc. ("UWST") is a nonprofit charitable organization, whose mission is to unite and prioritize resources to improve the quality of life for every person and family in the community. UWST licenses its name and trademark from United Way Worldwide (UWW). UWST's service area consists of Steuben and Chemung Counties in New York State.

UWST is governed by a volunteer Board of Directors. UWST also receives advice, counsel and advocacy from volunteer "Strategy Councils". Current councils include the Brand, Mobilization & Engagement Council, Southern Tier Kids on Track 0-8 Council, Southern Tier Kids on Track 9-21 Council, Southern Tier Senior Supports Council, Southern Tier Basic Needs Council, and Resource Development Council. Each council is led by a member of UWST's Board of Directors and is comprised of community volunteers.

UWST's Board of Directors adopted a strategic plan to guide the work of the Organization. This plan commits UWST to take specific steps to improve its capacity to provide support to help children be successful, while also ensuring that seniors are supported to age in place and people in our community have their basic needs met. The Strategic Plan also addresses the need to look at health and human service needs on a community level. UWST does this by analyzing data on key indicators and convening stakeholders to formulate collective impact strategies and programs.

UWST raises funds throughout the year across Steuben and Chemung Counties, primarily through employer/workplace giving campaigns in the private sector from individuals who are solicited and contribute directly.

Principal distribution activities include the allocation of undesignated funds to targeted health and human service programs and payment of donor designations. In making allocations, UWST identifies and prioritizes critical human service needs in the region, funds programs at nonprofit agencies that address these needs, and monitors results to ensure desired outcomes are met.

All nonprofit organizations receiving funding from UWST, are required to submit quarterly reports detailing program progress. Reports are carefully monitored, with assistance provided when failure to adhere to goals is indicated.

Method of Accounting - UWST maintains its books and prepares its financial statements on the accrual basis of accounting.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation - The Organization's financial statements are presented in accordance with the provisions of ASU 2016-14, "Not-for-Profit Entities (Topic 958) Presentation of Financial Statement of Not-for-Profit Entities." As a result, the Organization reports information regarding its net assets and changes therein in the following categories: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions represents resources available for general support of the Organization's activities. Net assets with donor restrictions are those whose use has been limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled by actions of the Organization or are required to be held in perpetuity.

Cash and Cash Equivalents - For the purpose of the statements of financial position and statements of cash flows, cash and cash equivalents include deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less. The Organization maintains cash and cash equivalents at financial institutions which periodically may exceed federally insured limits. At June 30, 2025 and 2024, the Organization had \$199,012 and \$296,595, respectively, in excess of the federally insured limits.

Short-Term Investments - These investments include certificates of deposit with original maturities greater than three months.

UNITED WAY OF THE SOUTHERN TIER, INC.
Notes to Financial Statements

Campaign Pledges Receivable and Allowance for Doubtful Accounts - The carrying amount of receivables is reduced by a provision for uncollectible pledges that reflects management's best estimate of the amounts that will not be collected. The provision is calculated using a three-year historical average of actual results. Management also assesses the need to increase the provision based on current economic uncertainty that would increase the likelihood of uncollectible pledges, such as corporate downsizing, mergers and bankruptcies. The provision for uncollectible pledges is ultimately based on management's estimate of the collectability of existing amounts receivable.

The Organization accounts for its campaign pledge receivables at the outstanding principal balance, adjusted for an allowance for doubtful accounts, if applicable. Management reviews all pledges outstanding over one year and based on the assessment estimates the portion, if any, of the balance that will not be collected. Based upon these reviews, the allowance for doubtful accounts was \$280,962 and \$103,650 for the years ended June 30, 2025 and 2024, respectively.

Investments - Investments are presented in the statements of financial position at fair market value as determined by the related professional managers. The net increase or decrease in the fair market value of non-current investments is reflected as an increase or decrease in the appropriate statements of activities. The fair value of investments is disclosed in Note 4 to the financial statements.

Beneficial Interests in Perpetual Trusts - The Organization is the irrevocable beneficiary of perpetual charitable trusts held by a bank trustee. The beneficial interest in the trusts are reported at their fair values, which is estimated as the fair value of the underlying trust assets. Distributions of income from the trust assets are restricted to use in the general operations of the Organization, reported as unrestricted contributions in the year received since the contributions will be used in that same year. Changes in fair value is reported as total investment return increasing or decreasing net assets with donor restrictions. The value of the beneficial interest in the trust is adjusted annually for the change in its estimated fair value. Those changes in value are also reported as increases (decreases) in net assets with donor restrictions, because the trust assets will never be distributed to the organization.

Property and Equipment - Property and equipment purchased in excess of \$500 is capitalized and recorded at cost. Donated property and equipment are recorded at fair market value. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets. Property and equipment have depreciable lives ranging from three to seven years.

Right-of-Use Asset and Lease Liability - The Organization adopted ASC 842 Leases. ASC 842 establishes a right-of-use (ROU) model that requires a lessee to record a ROU asset and a lease liability on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities.

Allocations Payable - Annual Campaigns are conducted in the fall of each year ("Current Campaign") to support programs primarily in the subsequent fiscal year. Campaign contributions are used generally to support Community Impact partnership programs and to pay United Way's operating expenses. Current Campaign revenue collection generally begins in January and is distributed to program partners on a July 1 to June 30 allocation cycle. Allocation expense is recognized in the period the allocation is unconditionally committed to program partners. At June 30, 2025, UWST has committed to pay program partners through June 30, 2026 and program expenses for the year ended June 30, 2025 included program allocations for the period July 1, 2025 through June 30, 2026.

Due to Other Agencies - Under accounting guidance, a liability is reported for contributions received which have been donor designated for specific beneficiary organizations. When the designation is paid to the beneficiary organization, the corresponding liability is eliminated.

Campaign Pledges and Contributions - The Organization accounts for grant revenue in accordance with (ASU) 2018-08, "Clarifying the Scope of Accounting Guidance for Contributions Received and Contributions Made," which provides clarification for determining if grants and contracts should be considered contributions or exchange transactions as well as guidance for determining if a contribution is conditional.

UNITED WAY OF THE SOUTHERN TIER, INC.
Notes to Financial Statements

Accounting guidance requires that contributions received be recognized as revenues or gains in the period received. Such contributions include unconditional promises to give, in the form of pledges. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are received. Pledges and contributions that are received for future year campaigns are reported as donor restricted until the time restriction expires.

Contributions in the form of donated financial assets converted nearly immediately into cash have been classified with all other cash donations in the statements of cash flows.

Community Campaign - UWST conducts over 175 workplace giving campaigns and solicits gifts from individuals outside the workplace in various ways. Most workplace and direct fundraising activities are conducted from September through December. The campaign is typically finalized the following March. UWST encourages undesignated gifts, but donors may designate all or part of their contributions to health and human service agencies based on UWST designation guidelines. A processing and fundraising fee of 13.00% is deducted from designations to nonprofit agencies during the community campaign. Any unpaid donor designations are included in designations payable.

UWST provides support to participating companies and organizations in the form of accounting, gift acknowledgement, fundraising expertise, regulatory compliance, staff training, promotional materials, volunteer activities and events and all aspects of paper and/or electronic pledge processing support.

A small number of companies run United Way campaigns with UWST involvement and support but use a third party processor to record donor pledges and distribute money collected directly to designated agencies. In these cases, UWST does not directly receive the money. However, because UWST is providing direct fund raising support to a company, including materials and staff, and to allow companies to receive recognition for their total results, UWST records the total campaign results.

Donated Facilities and Services - Donated services are recognized as contributions in accordance with accounting guidance if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by UWST. Volunteers also provided many services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria under accounting guidance were not met.

Functional Expenses - Expenses are charged to each program based on direct expenditures incurred. Any program expenditures not directly chargeable are allocated to programs based on units of service. Program expenses are categorized as either community building expenses or community investment expenses.

Program Services - Program services represent the cost of UWST managed programs that provide services to individuals, families, nonprofit agencies and the community.

Community Investment - Community Investment reflects the costs associated with conducting the allocation (community investment) function. All program investments are made in a manner consistent with UWST's five investment values. These values consider client need, program results, focused alignment with our strategic intent, effective use of resources, and continuous learning and improvement. Ultimate authority for all program investments rests with the UWST Board of Directors; these investments are made to qualified organizations based on demonstration of strong performance in each of the five values areas.

UWST administers two primary types of funding streams to nonprofit organizations: allocations and Strategic Investment Fund grants.

Allocations provide non-profit organizations with program funding for operations, specifically those that align with UWST's main focus areas: Southern Tier Kids on Track, Southern Tier Senior Supports, and Southern Tier Basic Needs.

- Southern Tier Kids on Track typically defines funding for services associated with ages birth to 8 years old, including early care and education, targeted school-age programming, and parent supports for child success.

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- Southern Tier Senior Supports is defined as funding for services that help our senior population age safely in place. This includes those who need assistance to care for themselves, or in accomplishing their activities of daily living in and around the home. This also includes those who need home-delivered meals to meet their nutritional needs or transportation to medical appointments.
- Southern Tier Basic Needs is defined as funding for services that help our most vulnerable neighbors. This includes those needing food for themselves and their families and those needing longer-term shelter, both to prevent and address homelessness. Strategic Investment Fund grants are used to assist UWST in achieving its strategic goals in the community, making it possible for UWST to seize unanticipated opportunities for impact outside of the regular investment cycle. Additionally, the Fund enables UWST to consider providing additional support to existing programs or strategic initiatives that experience an unanticipated, substantial change in client need which, if left unaided, compromises the impact of the program. Extra consideration can be given to those proposals which present opportunities to leverage additional resources that advance UWST's strategic interests.

Community Building

Community Building reflects the costs associated with collective community efforts to respond to social issues.

Community building is about building authentic relationships to collectively solve social issues. It brings together people from the community, government, business, academia, non-profits, the faith community and others to identify and take steps towards solutions to issues affecting their communities. UWST is engaged specifically in a "Collective Impact" framework, serving in a backbone capacity, coordinating these community change efforts.

This work includes:

- Convening the Councils of the Board of Directors that are responsible for monitoring program investments to ensure intended outcomes are achieved, and evaluation of results is used to drive the desired community change;
- Gathering constituent voice and feedback used to identify issues and drive UWST-led community change efforts;
- Meeting regularly with representatives from other various sectors to develop a shared vision for change - a common understanding of the problem and a joint approach to solutions through agreed upon actions (common agenda);
- Working with others to ensure authentic implementation of the common agenda and mutually reinforcing activities;
- Collecting and measuring results consistently across all participants; and
- Providing consistent and open communication with the many players to build trust, assure mutual objectives, and appreciate common motivation.

Support Services - Support services are classified as organizational administration and resource development. Organization administration includes overall executive direction, planning and coordination, financial management and administrative support services. Resource development represents all activities that constitute an appeal for financial support in the Community Campaign, including staff support, campaign supplies, marketing, media advertising, mail solicitations, and pledge processing.

Advertising - UWST expenses all advertising costs as they are incurred.

Income Taxes - UWST is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to UWST's tax-exempt purpose is subject to taxation as unrelated business income.

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In accordance with accounting guidance, UWST recognizes the tax benefits from uncertain tax positions only if it is more likely than not that the tax position will be sustained upon examination by the taxing authorities. Management believes that UWST is currently operating in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no liability for unrecognized tax benefits has been included on UWST's financial statements.

Subsequent Events - UWST's management has evaluated subsequent events through the date of the report which is the date these financial statements were available to be issued.

Note 2. Liquidity

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization has Board Designated net assets without donor restrictions that, while the organization does not intend to spend for these purposes other than identified, the amounts could be made available for current operations, if necessary.

The Organization's financial assets available within one year of the statement of financial position date for general expenditure, including distribution to partner agencies, are as follows at June 30:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 450,318	\$ 600,544
Accounts receivable	-	39
Pledges receivable, net	1,896,728	1,523,174
Investments - without donor restriction	3,430,414	3,352,054
Beneficial interests in perpetual trust	66,487	61,449
Total financial assets available within one year	<u>5,843,947</u>	<u>5,537,260</u>
Amounts unavailable for general expenditures within one year, due to:		
Restricted by donors with perpetuity	(66,487)	(61,449)
Restricted by donors with purpose restrictions	(694,019)	(707,426)
Restricted by donors with designated contributions	(632,283)	(824,933)
Total amounts unavailable for general expenditures within one year	<u>(1,392,789)</u>	<u>(1,593,808)</u>
Amounts unavailable to management without Board's approval:		
Board designated for capital purchases	(10,242)	(7,550)
Board designated for operating reserves	(1,104,737)	(1,071,089)
Total amounts unavailable to management without board's approval	<u>(1,114,979)</u>	<u>(1,078,639)</u>
Total financial assets available to management for general expenditure within one year	<u>\$ 3,336,179</u>	<u>\$ 2,864,813</u>

In addition to the financial assets available within one year, the Board of Directors has established an operating reserve in the amount of \$1,104,737 held in an investment account. Use of these funds is subject to the approval of the Board of Directors.

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Note 3. Pledges Receivable

Pledges receivable and the related allowance for uncollectible pledges consisted of the following at June 30:

	<u>2025</u>	<u>2024</u>
Gross pledges receivable	\$ 2,006,728	\$ 1,793,285
Less, allowance for uncollectible pledges	(280,962)	(103,650)
Less, discount on pledge receivable	(5,093)	(10,989)
Pledges receivable - net	<u>\$ 1,720,673</u>	<u>\$ 1,678,646</u>

Provisions for uncollectible pledges consisted of the following for the year ended June 30:

	<u>2025</u>	<u>2024</u>
Allowance for uncollectible pledges	\$ 280,962	\$ 103,650
Changes in allowance	(177,538)	19,066
Provisions for uncollectible pledges	<u>\$ 103,424</u>	<u>\$ 122,716</u>

Note 4. Investments

UWST has determined the fair value of investments through the application of accounting guidance, which places assets into one of three levels. Financial assets valued using level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets valued using level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets. Financial assets using level 3 inputs are primarily valued using management's analysis about the assumptions market participants would utilize in pricing the asset. Valuation techniques utilized to determine fair value are consistently applied.

Following is the description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2025 and 2024.

Common stocks: Valued at the closing price reported on the active market on which the individual securities are traded. (Level 1)

Fixed income: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. (Level 2)

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by UWST are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by UWST are deemed to be actively traded. (Level 1)

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Investments consisted of the following at June 30:

	<u>Total 2025</u>	<u>Quoted Prices in Active Markets Level 1</u>	<u>Significant Other Inputs Level 2</u>	<u>Significant Unobservable Inputs Level 3</u>
Cash and cash equivalents	\$ 2,064,450	\$ 2,064,450	\$ -	\$ -
Fixed income				
Corporate bonds	578,723	-	578,723	-
Municipal bonds	18,148	-	18,148	-
Exchange traded funds	51,885	-	51,885	-
Foreign government bonds	585,678	-	585,678	-
Total fixed income	<u>1,234,434</u>	<u>-</u>	<u>1,234,434</u>	<u>-</u>
Common stocks				
Construction	36,490	36,490	-	-
Consumer goods	21,939	21,939	-	-
Energy	202,804	202,804	-	-
Financial	38,509	38,509	-	-
Healthcare	49,566	49,566	-	-
Industrial goods	126,619	126,619	-	-
Services	24,802	24,802	-	-
Technology	249,203	249,203	-	-
Telecommunications	33,187	33,187	-	-
Total common stocks	<u>783,119</u>	<u>783,119</u>	<u>-</u>	<u>-</u>
Total Investments at Fair Value	<u>\$ 4,082,003</u>	<u>\$ 2,847,569</u>	<u>\$ 1,234,434</u>	<u>\$ -</u>
	<u>Total 2024</u>	<u>Quoted Prices in Active Markets Level 1</u>	<u>Significant Other Inputs Level 2</u>	<u>Significant Unobservable Inputs Level 3</u>
Cash and cash equivalents	\$ 2,700,000	\$ 2,700,000	\$ -	\$ -
Fixed income				
Corporate bonds	453,758	-	453,758	-
Exchange traded funds	42,926	-	42,926	-
Foreign government bonds	192,457	-	192,457	-
Total fixed income	<u>689,141</u>	<u>-</u>	<u>689,141</u>	<u>-</u>
Common stocks				
Construction	10,282	10,282	-	-
Consumer goods	19,325	19,325	-	-
Energy	194,680	194,680	-	-
Financial	29,704	29,704	-	-
Healthcare	71,061	71,061	-	-
Industrial goods	150,665	150,665	-	-
Services	19,858	19,858	-	-
Technology	230,739	230,739	-	-
Telecommunications	25,904	25,904	-	-
Total common stocks	<u>752,218</u>	<u>752,218</u>	<u>-</u>	<u>-</u>
Total Investments at Fair Value	<u>\$ 4,141,359</u>	<u>\$ 3,452,218</u>	<u>\$ 689,141</u>	<u>\$ -</u>

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Note 5. Property and Equipment

Property and equipment consisted of the following at June 30:

	<u>2025</u>	<u>2024</u>
Equipment, furniture, and fixtures	\$ 136,732	\$ 130,435
Less, accumulated depreciation	(126,490)	(122,885)
Property and equipment - net	<u>\$ 10,242</u>	<u>\$ 7,550</u>

Note 6. Beneficial Interests in Perpetual Trust

Donor bequests and donors have established and funded trusts with the Community Foundation where the Organization is the beneficiary and the Community Foundation is the administrator and trustee of the trust. Under the terms of the trust agreements, the Organization has the irrevocable right to receive the income earned on the trust assets in perpetuity, but never receives the assets held in the trust. The distributions received by the Organization are used for operations consistent with their mission statement.

Below is a schedule of market values and investment returns for Beneficial Interests in Perpetual Trust investments:

Fair Value - June 30, 2023	\$ 53,836
Net increase in fair value	<u>7,613</u>
Fair Value - June 30, 2024	61,449
Net increase in fair value	<u>5,038</u>
Fair Value - June 30, 2025	<u>\$ 66,487</u>

The trust was established in May 2000. Trustee is directed to pay the net income of the fund quarterly to the Organization. The payments are to be used for the general purposes of the Organization.

Note 7. Leases

The Organization leases office space under an operating lease and has elected the practical expedient not to separate lease and non-lease components for all of lease transactions. The original lease provided for monthly payments of \$1,826 and expired in June 30, 2025. The lease was extended through June 2028 with various monthly payments. The lease asset and liability was calculated using the risk-free discount rate at the later of lease inception or period of adoption, unless explicitly stated, in accordance with the Organization's accounting policies. Additional information about the Organization's leases are as follows:

Lease expense:	<u>2025</u>	<u>2024</u>
Operating lease:		
Administrative and general	\$ 21,914	\$ 21,914
Weighted Averages:		
Remaining lease terms:		
Operating lease	3 years	1 year
Discount Rate:		
Operating lease	1.26%	1.26%
Lease liability:	<u>2025</u>	<u>2024</u>
Operating Lease:		
Current installments	\$ 22,081	\$ 21,766
Noncurrent installments	45,089	-
Total lease liability	<u>\$ 67,170</u>	<u>\$ 21,766</u>

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The aggregate maturity of the lease payments under ASC 840 for the five years following June 30, 2025 and thereafter is as follows:

2026		\$ 22,801
2027		22,827
2028		22,827
2029		-
2030		-
Total		68,455
Less: unamortized discount		(1,285)
Total lease liability		\$ 67,170

The Organization also leases a copier lease that expires during March 2026 and postage meter that expires during June 2026. The Organization has reviewed the requirements of ASC 842 related to these leases and determined that adoption of ASC 842 would be immaterial in total. Accordingly, for the two leases, the Organization has presented leases in the accompanying financial statements in accordance with the prior guidance (ASC 840).

Note 8. Endowment Fund

Net assets with donor restriction at June 30, 2025 and 2024, consist of an endowment fund established in the early 1990's to support UWST's operating expenses. The original contribution stipulates that the gift is to be held and invested by UWST indefinitely and income, which is considered without donor restriction, from the fund is to be expended on operating expenses of UWST. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

UWST has interpreted the New York Prudent Management of Institutional Funds Act (NYPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, UWST classifies as net assets with donor restriction (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, and (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

In accordance with NYPMIFA, UWST considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of UWST, (7) alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives have on UWST, and (8) UWST's investment policies.

The composition of endowment net assets for this fund and the changes in endowment net assets as of June 30, 2025 and 2024, are as follows:

	<u>With Donor Restriction</u>
Endowment Net Assets, June 30, 2023	\$ 318,010
Investment income	4,447
Net appreciation	11,786
Amounts appropriated for net assets without donor restriction	(16,233)
Endowment Net Assets, June 30, 2024	318,010
Investment income	11,283
Net appreciation	15,017
Amounts appropriated for net assets without donor restriction	(26,300)
Endowment Net Assets, June 30, 2025	\$ 318,010

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From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or NYPMIFA requires UWST to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, losses on the investment of a donor-restricted endowment fund shall reduce donor restricted net assets to the extent that donor-imposed restrictions on net appreciation of the fund have not been met before the loss occurs. Any remaining loss shall reduce net assets without donor restriction. The gains of \$46,781 and \$16,233 for the years ended June 30, 2025 and 2024, respectively, increased net assets without donor restriction for the years then ended, respectively.

Note 9. In-Kind Contributions

Contributions of non-cash assets are recorded at their fair value in the period received. In-kind contributions, which are reported as revenue and related expense in the financial statements, consisted of advertising expense of \$36,568 and \$37,785 for the years ended June 30, 2025 and 2024, respectively.

Note 10. Concentration of Revenue

UWST's campaign success is heavily dependent on pledges from a local corporation and its employees, a related Foundation and retirees of the Corporation. Pledges from this local corporation accounted for 49.99% and 50.33% of total campaign support for the fiscal years ended June 30, 2025 and 2024 respectively. Pledges receivable from the local corporation accounted for 38.41% and 43.69% of the gross pledges receivable at June 30, 2025 and 2024, respectively.

Note 11. Pension Plan

UWST participates in a nationally sponsored defined contribution pension plan for nonprofit organizations. The non-contributory plan is available to all full-time employees with at least one year of service who have reached the age of twenty-one. Contributions are calculated at 8% of the participants' compensation. Pension costs for the years ended June 30, 2025 and 2024, amounted to \$31,473 and \$32,649, respectively, and are included in UWST's employee benefits.

Note 12. Related Parties

Employees of certain financial institutions, which hold deposits on behalf of UWST, serve as members of the Board of Directors. A board member of UWST also serves on a board of a funded agency.

Note 13. Net Assets

UWST's net assets with donor restriction consisted of the following as of June 30:

	<u>2025</u>	<u>2024</u>
Campaign support for subsequent years	\$ 161,621	\$ 134,538
Beneficial interests in perpetual trust	66,487	61,449
J Ullman Foundation	-	10,000
Track packs	2,750	3,657
Endowment fund	318,010	318,010
Community Foundation	31,678	25,000
Senior supports fund	333,579	471,295
Emergency response fund	164,391	62,936
Total net assets with donor restriction	<u>\$ 1,078,516</u>	<u>\$ 1,086,885</u>

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Note 14. United Way Worldwide, Inc.

United Way Worldwide, Inc. (UWW) is a national trade association and owner of the United Way name and brand mark. On an annual basis, UWST is required to make a membership investment to continue using the United Way name and brand mark. This expense totaled \$40,639 and \$43,255 for the years ended June 30, 2025 and 2024, respectively. In addition to use of the name and brand mark, UWST receives many other benefits from UWW. UWST has access to UWW's knowledge and support on marketing, program outcomes, community impact, fundraising, national trends, campaign materials and a wide array of other tools and topics. UWW also represents all United Way organizations on important legislation or issues presented to Congress.

In an effort to increase accountability and transparency, UWW has developed standards of excellence for continued membership. Each year, UWST must submit a report on its compliance with each of the standards. UWST has committed to comply with all UWW membership standards.