UNITED WAY OF BUFFALO & ERIE COUNTY

FINANCIAL STATEMENTS

March 31, 2024

Lumsden McCormick LLP
CERTIFIED PUBLIC ACCOUNTANTS

Cyclorama Building | 369 Franklin Street | Buffalo, NY 14202
p: 716.856.3300 | f: 716.856.2524 | www.LumsdenCPA.com

INDEPENDENT AUDITORS' REPORT

The Board of Directors
United Way of Buffalo & Erie County

Opinion

We have audited the accompanying balance sheets of United Way of Buffalo & Erie County (United Way) as of March 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of United Way as of March 31, 2024 and 2023, and the 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 (GAAP).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way, 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 GAAP, 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 United Way's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the 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 United Way'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 United Way'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.

Lumsden & McCormick, LLP

August 27, 2024

Balance Sheets

March 31,	2024	2023
Assets		
Cash	$ 905,920	$ 2,523,273
Annual campaign contributions receivable, net (Note 2)	4,133,327	4,794,374
Other contributions receivable, net (Note 3)	989,658	932,551
Investments (Note 4)	2,873,353	2,717,458
Beneficial interest in assets held by Community Foundation for Greater Buffalo (Note 5)	18,262,620	16,511,687
Property and equipment, net (Note 6)	1,686,910	1,825,369
Other assets	112,765	132,562
	$ 28,964,553	$ 29,437,274
Liabilities and Net Assets		
Liabilities:		
Designations payable	$ 2,058,238	$ 2,284,561
Allocations payable	810,714	931,006
Accounts payable and accrued expenses	934,117	753,143
Refundable advances	37,587	28,035
Accrued pension liability (Note 8)	1,003,750	2,215,209
Accrued postretirement benefit obligation (Note 8)	155,000	160,000
	4,999,406	6,371,954
Net assets:		
Without donor restrictions	16,083,150	14,792,584
With donor restrictions (Note 9)	7,881,997	8,272,736
	23,965,147	23,065,320
	$ 28,964,553	$ 29,437,274

See accompanying notes.

Statements of Activities

For the years ended March 31,	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, gains and other support:						
Campaign results:						
Contributions:						
Annual campaign	$ 273,125	$ 7,727,156	$ 8,000,281	$ 181,108	$ 8,926,611	$ 9,107,719
Community, endowment, and other campaigns	198,882	21,338	220,220	2,416,966	15,610	2,432,576
	472,007	7,748,494	8,220,501	2,598,074	8,942,221	11,540,295
Less: donor designations	-	(2,191,952)	(2,191,952)	-	(2,342,946)	(2,342,946)
Estimated uncollectible pledges	-	(275,000)	(275,000)	-	(300,000)	(300,000)
Net assets released from restrictions	5,754,723	(5,754,723)	-	6,658,510	(6,658,510)	-
	6,226,730	(473,181)	5,753,549	9,256,584	(359,235)	8,897,349
Other revenues:						
Contributions:						
Government awards	2,258,424	-	2,258,424	2,119,725	-	2,119,725
Foundation and other	197,121	160,000	357,121	283,529	192,563	476,092
Paycheck Protection Program loan forgiveness (Note 7)	-	-	-	687,500	-	687,500
Program service and other fees	346,867	-	346,867	380,199	-	380,199
Investment activity (Note 4)	110,998	-	110,998	(18,308)	-	(18,308)
Net appreciation (depreciation) of beneficial interest in assets held by				-	-	-
Community Foundation for Greater Buffalo (Note 5)	1,117,200	572,395	1,689,595	(465,588)	(229,703)	(695,291)
Net assets released from restrictions	649,953	(649,953)	-	369,025	(369,025)	-
	4,680,563	82,442	4,763,005	3,356,082	(406,165)	2,949,917
Total revenue, gains and other support	10,907,293	(390,739)	10,516,554	12,612,666	(765,400)	11,847,266
Expenses:						
Program services:						
Gross funds awarded, granted or designated to agencies	7,786,900	-	7,786,900	10,006,831	-	10,006,831
Other program services	2,681,817	-	2,681,817	2,240,934	-	2,240,934
Total program services including designations	10,468,717	-	10,468,717	12,247,765	-	12,247,765
Less: donor designations	(2,191,952)	-	(2,191,952)	(2,342,946)	-	(2,342,946)
Total program services	8,276,765	-	8,276,765	9,904,819	-	9,904,819
Supporting services:						
Management and general	1,351,187	-	1,351,187	1,424,597	-	1,424,597
Fundraising	1,330,248	-	1,330,248	1,469,078	-	1,469,078
	2,681,435	-	2,681,435	2,893,675	-	2,893,675
Total expenses	10,958,200	-	10,958,200	12,798,494	-	12,798,494
Change in net assets before adjustments	(50,907)	(390,739)	(441,646)	(185,828)	(765,400)	(951,228)
Pension liability adjustment (Note 8)	1,341,473	-	1,341,473	(103,392)	-	(103,392)
Change in net assets	1,290,566	(390,739)	899,827	(289,220)	(765,400)	(1,054,620)
Net assets - beginning	14,792,584	8,272,736	23,065,320	15,081,804	9,038,136	24,119,940
Net assets - ending	$ 16,083,150	$ 7,881,997	$ 23,965,147	$ 14,792,584	$ 8,272,736	$ 23,065,320

See accompanying notes.

Statement of Functional Expenses

For the year ended March 31, 2024

		Supporting Services			
	Program Services	Management and General	Fund-raising	Total Supporting Services	Total
Allocations and distributions	$ 3,076,603	$ -	$ -	$ -	$ 3,076,603
Designations	2,191,952	-	-	-	2,191,952
Grants and other awards	2,518,345	-	-	-	2,518,345
	7,786,900	-	-	-	7,786,900
Salaries	1,477,110	731,134	701,505	1,432,639	2,909,749
Payroll taxes and employee benefits	534,784	271,393	256,018	527,411	1,062,195
Total salaries and related expenses	2,011,894	1,002,527	957,523	1,960,050	3,971,944
Professional fees	62,158	116,030	47,447	163,477	225,635
Supplies	81,465	2,828	10,923	13,751	95,216
Telephone and internet	14,506	7,779	8,899	16,678	31,184
Postage	1,734	924	16,039	16,963	18,697
Occupancy	136,725	81,333	79,803	161,136	297,861
Printing and public relations	16,637	900	52,678	53,578	70,215
Travel, conferences and meetings	110,172	9,405	10,873	20,278	130,450
Dues and subscriptions	24,101	14,249	11,238	25,487	49,588
Software and equipment maintenance	71,798	34,471	39,312	73,783	145,581
Payments to State affiliate	11,676	6,429	7,354	13,783	25,459
Miscellaneous	10,951	3,837	7,542	11,379	22,330
Depreciation	74,427	40,979	46,876	87,855	162,282
Payments to National affiliate	53,573	29,496	33,741	63,237	116,810
	2,681,817	1,351,187	1,330,248	2,681,435	5,363,252
Totals (including designations)	10,468,717	1,351,187	1,330,248	2,681,435	13,150,152
Less: donor designations	(2,191,952)	-	-	-	(2,191,952)
	$ 8,276,765	$ 1,351,187	$ 1,330,248	$ 2,681,435	$ 10,958,200

See accompanying notes.

Statement of Functional Expenses

For the year ended March 31, 2023

	Program Services	Supporting Services: Management and General	Supporting Services: Fund-raising	Supporting Services: Total Supporting Services	Total
Allocations and distributions	$ 5,213,632	$ -	$ -	$ -	$ 5,213,632
Designations	2,342,946	-	-	-	2,342,946
Grants and other awards	2,450,253	-	-	-	2,450,253
	10,006,831	-	-	-	10,006,831
Salaries	1,292,831	814,848	805,874	1,620,722	2,913,553
Payroll taxes and employee benefits	405,124	254,957	252,150	507,107	912,231
Total salaries and related expenses	1,697,955	1,069,805	1,058,024	2,127,829	3,825,784
Professional fees	62,477	79,248	37,346	116,594	179,071
Supplies	26,552	3,958	16,561	20,519	47,071
Telephone and internet	20,308	13,359	18,389	31,748	52,056
Postage	3,918	2,356	17,041	19,397	23,315
Occupancy	101,111	78,691	84,984	163,675	264,786
Printing and public relations	7,524	1,038	38,588	39,626	47,150
Travel, conferences and meetings	73,212	21,279	8,047	29,326	102,538
Dues and subscriptions	18,002	17,340	13,235	30,575	48,577
Software and equipment maintenance	61,953	39,225	49,501	88,726	150,679
Payments to State affiliate	12,785	8,687	10,963	19,650	32,435
Miscellaneous	32,289	6,134	11,052	17,186	49,475
Depreciation	70,887	48,169	60,789	108,958	179,845
Payments to National affiliate	51,961	35,308	44,558	79,866	131,827
	2,240,934	1,424,597	1,469,078	2,893,675	5,134,609
Totals (including designations)	12,247,765	1,424,597	1,469,078	2,893,675	15,141,440
Less: donor designations	(2,342,946)	-	-	-	(2,342,946)
	$ 9,904,819	$ 1,424,597	$ 1,469,078	$ 2,893,675	$ 12,798,494

See accompanying notes.

Statements of Cash Flows

For the years ended March 31,	2024	2023
Operating activities:		
Change in net assets:		
Change in net assets before adjustments	$ (441,646)	$ (951,228)
Net assets adjustment - defined benefit pension plan (Note 8)	1,341,473	(103,392)
	899,827	(1,054,620)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	162,282	179,845
Paycheck Protection Program loan forgiveness	-	(687,500)
Net realized and unrealized loss (gain) on investments	(75,972)	37,377
Net (appreciation) depreciation of beneficial interest in assets held by Community Foundation for Greater Buffalo	(1,689,595)	695,291
Changes in other operating assets and liabilities:		
Annual campaign contributions receivable	661,047	625,690
Other contributions receivable	(57,107)	212,809
Other assets	19,797	36,453
Designations payable	(226,323)	(326,973)
Allocations payable	(120,292)	(73,268)
Accounts payable and accrued expenses	180,974	(70,383)
Refundable advances	9,552	(724)
Accrued pension liability	(1,211,459)	75,105
Accrued postretirement benefit obligation	(5,000)	20,000
Net operating activities	(1,452,269)	(330,898)
Investing activities:		
Purchase of investments	(85,870)	(390,412)
Proceeds from sale of investments	5,947	1,010,091
Transfers to beneficial interest in assets held by Community Foundation for Greater Buffalo	(61,338)	(63,609)
Purchase of property and equipment	(23,823)	(75,238)
Net investing activities	(165,084)	480,832
Net change in cash	(1,617,353)	149,934
Cash - beginning	2,523,273	2,373,339
Cash - ending	$ 905,920	$ 2,523,273

See accompanying notes.

Notes to Financial Statements

1. Summary of Significant Accounting Policies:

Organization and Operations:

United Way of Buffalo & Erie County (United Way) is a nonprofit corporation whose mission is to bring people, organizations and resources together to improve community well-being. United Way raises, administers, and distributes funds to support programs for community needs. United Way's fund-raising efforts are concentrated in Erie County.

United Way's annual workplace campaign drive begins around September 1 of each year, and is substantially completed by March 31. Annual campaign funds generally support programs whose services are provided in the subsequent year. Donors may designate their pledges among several care programs. Pledges received without donor designations are pooled and allocated to the work of United Way which may include grants and other funding to various community services providers. The level of contributions can be affected by economic conditions, and a decrease in the level of undesignated contributions may adversely affect United Way's ability to fund community service providers.

Campaign contributions are used for the work of United Way, including allocations to agencies, payments to United Way of America, services provided directly by United Way, fund raising, fund distribution, management, and general expenses.

United Way also administers and/or participates in charitable campaigns for other organizations, including federal, state and local employee campaigns. These contributions are recorded as donor designated and are distributed to the appropriate organizations. In campaigns which United Way acts as a Federated Fundraising Organization, designations made to each member organization are honored by distributing a proportionate share of receipts based on donor designations to each member.

Subsequent Events:

United Way has evaluated events and transactions for potential recognition or disclosure through August 27, 2024, the date the financial statements were available to be issued.

Income Taxes:

United Way is a 501(c)(3) corporation exempt from taxation under Section 501(a) of the Internal Revenue Code.

Cash:

Cash in financial institutions may exceed insured limits at various times during the year, and subject United Way to concentrations of credit risk.

Investments:

Investments consist of marketable securities stated at fair value as determined by quoted prices in active markets.

United Way is the owner and beneficiary of six fully paid life insurance policies, each with death benefit coverage between $100,000 and $250,000. The value of these policies is not recorded in these financial statements.

Beneficial Interest in Assets Held by Community Foundation for Greater Buffalo:

United Way maintains a donor restricted and board-designated endowment fund with Community Foundation for Greater Buffalo (CFGB) to benefit from increased investment management opportunities.

United Way's investment fund is pooled with other actively managed CFGB investment assets, and includes money market funds, marketable securities and alternative investments. Values of amounts held by CFGB are based on United Way's contributions, plus its allocable share of the fund's net investment earnings, as defined, less any withdrawals or distributions.

Under the terms of an agreement with CFGB, United Way may receive a distribution based upon United Way's current spending policy (see Note 10). Other withdrawals are subject to certain notification and approval requirements, and distributions in excess of $2.5 million during any 12-month period are subject to additional notification and distribution restrictions.

Property and Equipment:

Property and equipment is recorded at cost or fair market value at the date of donation, net of accumulated depreciation. Depreciation is provided over estimated useful asset lives using the straight-line method. Maintenance and repairs are charged to operations as incurred; significant improvements are capitalized.

Net Assets:

United Way's financial position and activities are reported according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets with donor restrictions are those whose use has been limited by donors for a specific time period, purpose, or to be maintained by United Way in perpetuity.

Contributions:

Unconditional contributions are reported at fair value at the date the contribution or pledge is made. Contributions are reported as restricted support if they are received with donor stipulations that limit their use. When a donor restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same reporting period are reported as revenue without donor restrictions.

Conditional contributions, primarily government awards, are recorded as revenue when United Way meets requirements in compliance with specific agreements. Amounts received before the required conditions are met are reported as refundable advances on the accompanying balance sheets. These conditional contributions are subject to compliance and financial audits by the funding sources. Management believes no significant adjustments are necessary to recognized amounts.

As of March 31, 2024, United Way has been awarded (but not yet received) conditional contributions totaling approximately $2,300,000 for future program and grant initiatives.

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using an appropriate interest rate applicable to the year in which the promise is received. Amortization of the discount is included in campaign contributions.

Gross campaign results are reduced by pledges collected on behalf of others or pledged to a specific organization (donor designation) and by a provision for uncollectible pledges, which is recorded based on collection history, aging, and general economic conditions. The net campaign results are recorded as net assets with donor restrictions in the accompanying statements of activities since the amounts are generally collected over time. Campaign collections are reflected as net assets released from restrictions. Revenues received from certain special events related to the campaign are recorded as net assets without donor restrictions.

Net campaign results are allocated to providers approved to receive community funding at the completion of the campaign. Committed community allocations, including grants and other awards, are recognized upon the commitment to the recipient organization and included in allocations payable in the accompanying balance sheets. Designated care donations have been recorded as designations payable in the accompanying balance sheets at the date the designation is made.

United Way also administers the local campaign for state employees. The State Employees Federated Appeal Steering Committee, representing the State Employees Federated Appeal, has designated United Way to conduct its annual campaigns in conjunction with the annual campaign of United Way. United Way combines the activities of the separate campaign with the activities of its own campaign in the accompanying financial statements, and presents the contributions as donor designations. The State Employee Federated Appeals campaign remits an administrative fee to United Way for campaign management services. The fees for the State Employee Federated Appeal (SEFA) campaign were $115,000 and $114,000 for 2024 and 2023, respectively, and are included in program service and other fees on the statements of activities.

Program Service Fees:

Program service fees represents fees charged to administer certain programs and initiatives conducted by United Way. Revenue is recognized as the services are performed. Amounts are generally billed monthly and due immediately.

Contributed Volunteer Services:

No amounts have been reflected in the financial statements for contributed volunteer services. United Way pays for substantially all services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist United Way in its program services and fundraising campaigns.

Fund Raising Expenses:

Fund raising activities in connection with the annual campaign and other campaigns are conducted throughout the year and are reported as expenses when incurred.

Functional Expense Allocation:

The financial statements report certain categories of expenses that are attributable to program and supporting functions. Some expenses require allocation on a reasonable basis that is consistently applied. The allocated expenses include certain salaries and related benefits, occupancy, software, maintenance and payments to national/state affiliates, which are allocated based on management's estimate of function benefited.

Use of Estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

2. Annual Campaign Contributions Receivable:

	2024	2023
United Way:		
2023 – 2024	$ 4,263,794	$ -
2022 – 2023	369,270	4,801,648
2021 – 2022	234,542	465,163
2020 – 2021	-	364,918
	4,867,606	5,631,729
Less allowance for uncollectible pledges	734,279	837,355
	$ 4,133,327	$ 4,794,374

Campaign contributions receivable include donor designated amounts payable of $2,058,238 and $2,284,561 as of March 31, 2024 and 2023.

3. Other Contributions Receivable:

	2024	2023
Gross unconditional promises to give from:		
Endowment campaign	$ 206,000	$ 251,000
Government awards	678,857	576,619
Foundation and other	114,801	119,932
	999,658	947,551
Less allowances for:		
Uncollectible pledges	6,562	6,940
Unamortized discount	3,438	8,060
	$ 989,658	$ 932,551

	2024	2023
Amounts due in:		
Less than one year	$ 841,658	$ 764,551
One to five years	138,000	163,000
Greater than five years	20,000	20,000
	$ 999,658	$ 947,551

4. Investments:

	2024	2023
Certificates of deposit	$ 1,636,494	$ 2,099,020
Money market	1,221,853	610,921
Mutual funds	15,006	7,517
	$ 2,873,353	$ 2,717,458

Investment activity is as follows for the years ended March 31:

	2024	2023
Interest and dividends	$ 35,026	$ 19,069
Net realized and unrealized gain (losses)	75,972	(37,377)
Total return on investments	$ 110,998	$ (18,308)

5. Beneficial Interest in Assets Held by Community Foundation for Greater Buffalo:

	2024	2023
Beginning of year	$ 16,511,687	$ 17,143,369
Transfers	61,338	63,609
Net appreciation (depreciation)	1,689,595	(695,291)
End of year	$ 18,262,620	$ 16,511,687

6. Property and Equipment:

	2024	2023
Land	$ 158,930	$ 158,930
Building and improvements	3,770,845	3,767,570
Furniture and equipment	3,947,972	3,927,424
	7,877,747	7,853,924
Less accumulated depreciation	6,190,837	6,028,555
	$ 1,686,910	$ 1,825,369

7. Paycheck Protection Program Loans:

In March 2021, United Way received a loan totaling $687,500 from the Small Business Administration (SBA) under the Paycheck Protection Program (PPP) of the Coronavirus Aid, Relief and Economic Security (CARES) Act in response to the pandemic. The loan was forgiven by the SBA in May 2022 and accordingly the proceeds have been recognized as revenue in the accompanying 2023 statement of activities.

8. Employee Benefit Plans:

Defined Benefit Pension Plan:

United Way maintains a defined benefit pension plan covering all nonunion employees hired before 2016. United Way's policy is to fund at least the minimum amount required by the Employee Retirement Income Security Act (ERISA). United Way no longer allows new participants to the Plan effective 2016.

The status of the defined benefit pension plan at and for the years ended March 31, 2024 and 2023 is presented below. The measurement date used to determine the plan assets and benefit obligations is March 31st of each year.

	2024	2023
Projected benefit obligation	**$ (6,628,673)**	$ (7,203,393)
Fair value of plan assets	**5,624,923**	4,988,184
Funded status	**$ (1,003,750)**	$ (2,215,209)
Accumulated benefit obligation	**$ (6,210,967)**	$ (6,724,966)

Amounts recognized on the balance sheets:

	2024	2023
Accrued pension liability	**$ (1,003,750)**	$ (2,215,209)
Accumulated adjustment to net assets	**$ (823,247)**	$ (2,164,720)

Amounts recognized as the accumulated adjustment to net assets consist of the following as of March 31:

	2024	2023
Unrecognized actuarial loss	**$ (823,247)**	$ (2,164,720)

Amounts recognized as pension liability adjustment consist of the following for the years ended March 31:

	2024	2023
Unrecognized actuarial gain (loss)	**$ 1,341,473**	$ (103,392)
Benefit cost:		
Service cost	**$ 177,074**	$ 183,800
Interest cost	**309,261**	239,441
Recognized loss	**(81,321)**	(151,528)
	$ 405,014	$ 271,713
Employer contributions	**$ 275,000**	$ 300,000
Benefits paid	**$ 198,219**	$ 124,043

Weighted average assumptions used to determine benefit obligations at March 31:

	2024	2023
Discount rate	**4.93%**	4.50%
Expected future salary increase	**3.00%**	3.00%

Weighted average assumptions used to determine net periodic benefit cost for the years ended March 31:

	2024	2023
Discount rate	**4.50%**	3.25%
Expected return on plan assets	**6.50%**	6.50%
Expected future salary increase	**3.00%**	3.00%

The expected long-term rate of return on plan assets assumption of 6.50% was selected based on United Way's investment policy for the pension plan in effect as of the beginning of the fiscal year ended March 31, 2024. An estimated range was determined for both the real rate of return (net of inflation) and for inflation based on a historical 30 year rolling average. An average inflation rate within the range equal to 6.50% was selected and a best estimate range was determined for both the real rate of return (net of inflation) and for inflation.

No contributions are expected to be required by United Way for 2025.

Assuming all eligible participants elect to receive benefits upon reaching retirement age, benefit payments for the next five years, and subsequent five year period, are:

2025	**$ 1,257,000**
2026	**555,000**
2027	**458,000**
2028	**1,104,000**
2029	**304,000**
2030-2033	**3,169,000**
	$ 6,847,000

United Way's pension plan weighted-average asset allocations are as follows as of March 31:

	2024	2023
Asset Category:		
Equity securities	**51%**	51%
Fixed income	**49%**	48%
General account	**-**	1%
	100%	100%

The plan's overall portfolio mix of assets was based upon asset allocation modeling taking into consideration historical return patterns and risk factors. The plan believes that the current mix of assets under a balanced growth concept provides an appropriate level of return to achieve current assumed return plan assumptions. The plan generally has a target asset allocation of 50% equity securities and 50% fixed income securities. The plan essentially invests only in securities for which there is an active market.

Union Employee Pension Plan:

United Way contributes to the Service Employees Pension Fund of Upstate New York, a multiemployer defined benefit pension plan, under the terms of collective-bargaining agreements that cover its union-represented employees.

The risks of participating in this multiemployer plan are different from single-employer plans in the following aspects:

a. Assets contributed to multiemployer plans by one employer may be used to provide benefits to employees of other participating employers.

b. If a participating employer stops contributing to a plan, the unfunded obligations of the plan may be borne by the remaining participating employers.

c. If United Way chooses to stop participating in a multiemployer plan, United Way may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

United Way's participation in the plan for the years ended March 31, 2024 and 2023 is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employer Identification Number (EIN) and the three-digit plan number. The most recent Pension Protection Act (PPA) zone status available in 2024 and 2023 is for the plan's year-end at December 31, 2023 and December 31, 2022, respectively. The zone status is based on information that United Way received from the plan and is certified by the plan's actuary. The "FIP/RP Status Pending/Implemented" column indicates whether a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented. Among other factors, including the plan's FIP/RP status, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are less than 80 percent funded, and plans in the green zone are at least 80 percent funded. The last column lists the expiration date of the collective-bargaining agreement to which the plan is subject.

EIN/Pension	PPA Zone Status		Funded Percentage		FIP/RP Status Pending/ Implemented	Company Contributions		Surcharge Imposed	Expiration Date of Collective-Bargaining Agreement
Plan Number	2023	2022	2023	2022		2024	2023		
16-0908576/001	Green	Green	96%	95%	N/A	$ 14,100	$ 22,500	No	6/30/2026

United Way was not listed in the Plan's Form 5500 as providing more than 5 percent of the total contributions for the plan years ended in 2022 and 2021 (the most years available).

Defined Contribution Pension Plan:

United Way maintains a 403(b)-defined contribution plan covering essentially all employees (as defined). The plan requires certain minimum employer contributions based on salaries and employee deferrals. Expenses related to this plan for the years ended March 31, 2024 and 2023 were $48,431 and $38,013.

Post-Retirement Health Care Benefits:

United Way provides post-retirement health care benefits for certain eligible employees. United Way's practice is to fund these benefits as paid. The measurement date used to determine the benefit obligation is March 31st of each year.

The status of the post-retirement health benefit plan is as follows as of and for the years ended March 31:

	2024	2023
Accrued postretirement benefit obligation	**$ 155,000**	$ 160,000
Cost	**$ 12,000**	$ 33,000
Benefits paid	**$ 17,000**	$ 13,000
Weighted average assumptions used:		
Discount rate	**5.00%**	5.00%

United Way's post-retirement health care benefits plan provides for a limit on the amount of health care premiums paid for by United Way. United Way assumes the maximum annual premium per participant to determine the benefit.

Expected future annual benefit payments:

2025	$ 16,500
2026	16,500
2027	16,500
2028	16,500
2029	16,500
2030-2033	66,000
	$ 148,500

9. Net Assets:

Net assets without donor restrictions include board-designated endowment funds amounting to $12,932,946 and $11,750,950 at March 31, 2024 and 2023 (see Note 10).

Net assets with donor restrictions are for the following purposes or periods:

	2024	2023
Subject to expenditure for specific purpose:		
WNY Girls in Sports	$ 164,850	$ 564,152
Other programs	116,384	202,034
	281,234	766,186
Subject to passage of time:		
Net campaign pledges outstanding	2,075,089	2,509,813
Subject to United Way's spending policy and appropriation (see Note 10)		
Endowment assets, which once appropriated, are expendable to support:		
WNY Girls in Sports	2,548,007	2,371,770
General programs and operations	2,977,667	2,624,967
	5,525,674	4,996,737
	$ 7,881,997	$ 8,272,736

United Way's endowment assets represent the accumulated principal of endowment gifts invested in perpetuity, which totaled $3,923,010 and $3,901,672 as of March 31, 2024 and 2023, and the related unappropriated net investment earnings. Net endowment campaign receivables included in endowment assets above amounted to $196,000 and $236,000 at March 31, 2024 and 2023 (see Note 3).

10. Endowment Assets:

United Way's endowment assets are comprised of a board-designated endowment and a donor-restricted endowment. The board-designated endowment serves to enhance the sustainability of United Way and is included in net assets without donor restrictions. The donor-restricted endowment consists of endowment gifts that are to be invested in perpetuity and are reported as net assets with donor restrictions. United Way has adopted investment and spending policies for endowment assets that attempt to provide returns sufficient to address the purposes of the assets over the long-term. United Way intends to eventually distribute approximately 5.25% of the total market value annually, net of fees, while maintaining the purchasing power of the endowment assets over the long-term.

United Way's Board has interpreted the New York State Prudent Management of Institutional Funds Act (NYPMIFA) as requiring the preservation of the fair value of the original gift as of the date of donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, United Way classifies as net assets with donor restrictions (a) the original value of gifts donated to the donor-restricted endowment, (b) the original value of subsequent gifts donated to the donor-restricted endowment, and (c) accumulations to the donor-restricted endowment made in accordance with the direction of a donor gift instrument at the time the accumulation is added to the fund.

In accordance with NYPMIFA, United Way considers the following factors to appropriate or accumulate donor-restricted endowment funds:

- Duration and preservation of the fund
- Purposes of United Way and the fund
- General economic conditions
- Possible effect of inflation and deflation
- Expected total return from income and appreciation of investments
- Where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on United Way
- Investment policy and other resources of United Way

Investment earnings are allocated among the endowment assets based upon their proportionate share of the investment portfolio. Investment earnings related to the board-designated endowment are shown as increases (decreases) in net assets without donor restrictions. Investment earnings related to the donor-restricted endowment are reported as increases (decreases) to net assets with donor restrictions until appropriated and expended in accordance with United Way's spending policy.

United Way's endowment assets, which exclude outstanding endowment campaign receivables (see Note 3), consist of the following as of March 31:

2024	Without Donor Restrictions (Board-designated)	With Donor Restrictions	Total
Endowment assets – beginning of year	$ 11,750,950	$ 4,760,737	$ 16,511,687
Net investment activity	1,117,200	572,395	1,689,595
Contributions	64,796	61,338	126,134
Appropriation	-	(64,796)	(64,796)
Endowment assets – end of year	$ 12,932,946	$ 5,329,674	$ 18,262,620

2023	Without Donor Restrictions (Board-designated)	With Donor Restrictions	Total
Endowment assets – beginning of year	$ 12,140,409	$ 5,002,960	$ 17,143,369
Net investment activity	(465,588)	(229,703)	(695,291)
Contributions	76,129	63,609	139,738
Appropriation	-	(76,129)	(76,129)
Endowment assets – end of year	$ 11,750,950	$ 4,760,737	$ 16,511,687

Appropriations included above were required by donor request. United Way elected not to make any discretionary appropriations during 2024 or 2023 to allow the endowment balance to continue to grow.

11. Financial Resources Available for Operations:

United Way obtains financial assets generally through contributions and investment income. The financial assets are acquired throughout the year to help meet United Way's cash needs for general expenditures.

United Way's financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consist of the following at March 31:

	2024	2023
Cash	$ 905,920	$ 2,523,273
Net annual campaign receivables	2,075,089	2,509,813
Other contributions receivable – due in less than one year	841,658	764,551
Investments and beneficial interest in assets held by CFGB without donor restrictions, if necessary	15,525,075	13,702,222
	$ 19,347,742	$ 19,499,859

12. Contingencies:

United Way is involved in legal proceedings that in the opinion of management, will not have a material adverse effect upon the financial condition of United Way.