

**UNITED WAY OF BUFFALO
& ERIE COUNTY**

FINANCIAL STATEMENTS

March 31, 2025

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, 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 accompanying financial statements referred to above present fairly, in all material respects, the financial position of United Way as of March 31, 2025 and 2024, 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.

A handwritten signature in blue ink that reads "Lyndon & McCormick, LLP". The signature is written in a cursive, flowing style.

July 31, 2025

UNITED WAY OF BUFFALO & ERIE COUNTY

Balance Sheets

March 31,	2025	2024
Assets		
Cash	\$ 1,168,075	\$ 905,920
Annual campaign contributions receivable, net (Note 2)	3,311,569	4,133,327
Other contributions receivable, net (Note 3)	1,179,937	989,658
Investments (Note 4)	1,701,686	2,873,353
Beneficial interest in assets held by Community Foundation for Greater Buffalo (Note 5)	19,135,875	18,262,620
Property and equipment, net (Note 6)	1,581,901	1,686,910
Other assets	106,222	112,765
	\$ 28,185,265	\$ 28,964,553
Liabilities and Net Assets		
Liabilities:		
Designations payable	\$ 1,648,083	\$ 2,058,238
Allocations payable	641,746	810,714
Accounts payable and accrued expenses	843,691	934,117
Refundable advances	46,976	37,587
Accrued pension liability (Note 8)	167,510	1,003,750
Accrued postretirement benefit obligation (Note 8)	-	155,000
	3,348,006	4,999,406
Net assets:		
Without donor restrictions	16,538,743	15,516,572
With donor restrictions (Note 9)	8,298,516	8,448,575
	24,837,259	23,965,147
	\$ 28,185,265	\$ 28,964,553

See accompanying notes.

UNITED WAY OF BUFFALO & ERIE COUNTY

Statements of Activities

For the years ended March 31,

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, gains and other support:						
Campaign results:						
Contributions:						
Annual campaign	\$ 342,818	\$ 7,045,776	\$ 7,388,594	\$ 273,125	\$ 7,727,156	\$ 8,000,281
Community, endowment, and other campaigns	-	146,559	146,559	100,000	120,220	220,220
	<u>342,818</u>	<u>7,192,335</u>	<u>7,535,153</u>	<u>373,125</u>	<u>7,847,376</u>	<u>8,220,501</u>
Less: donor designations	-	(1,722,398)	(1,722,398)	-	(2,191,952)	(2,191,952)
Estimated uncollectible pledges	-	(300,000)	(300,000)	-	(275,000)	(275,000)
Net assets released from restrictions	<u>5,736,552</u>	<u>(5,736,552)</u>	<u>-</u>	<u>5,829,752</u>	<u>(5,829,752)</u>	<u>-</u>
	<u>6,079,370</u>	<u>(566,615)</u>	<u>5,512,755</u>	<u>6,202,877</u>	<u>(449,328)</u>	<u>5,753,549</u>
Other revenues:						
Contributions:						
Government awards	2,469,128	-	2,469,128	2,258,424	-	2,258,424
Foundation and other	421,930	317,996	739,926	197,121	160,000	357,121
Program service and other fees	388,082	-	388,082	346,867	-	346,867
Investment activity (Note 4)	82,815	-	82,815	110,998	-	110,998
Net appreciation of beneficial interest in assets held by						
Community Foundation for Greater Buffalo (Note 5)	548,212	282,043	830,255	1,117,200	572,395	1,689,595
Postretirement benefit settlement gain (Note 8)	148,577	-	148,577	-	-	-
Net assets released from restrictions	<u>183,483</u>	<u>(183,483)</u>	<u>-</u>	<u>649,953</u>	<u>(649,953)</u>	<u>-</u>
	<u>4,242,227</u>	<u>416,556</u>	<u>4,658,783</u>	<u>4,680,563</u>	<u>82,442</u>	<u>4,763,005</u>
Total revenue, gains and other support	<u>10,321,597</u>	<u>(150,059)</u>	<u>10,171,538</u>	<u>10,883,440</u>	<u>(366,886)</u>	<u>10,516,554</u>
Expenses:						
Program services:						
Gross funds awarded, granted or designated to agencies	6,691,319	-	6,691,319	7,786,900	-	7,786,900
Other program services	<u>2,711,182</u>	<u>-</u>	<u>2,711,182</u>	<u>2,681,817</u>	<u>-</u>	<u>2,681,817</u>
Total program services including designations	<u>9,402,501</u>	<u>-</u>	<u>9,402,501</u>	<u>10,468,717</u>	<u>-</u>	<u>10,468,717</u>
Less: donor designations	<u>(1,722,398)</u>	<u>-</u>	<u>(1,722,398)</u>	<u>(2,191,952)</u>	<u>-</u>	<u>(2,191,952)</u>
Total program services	<u>7,680,103</u>	<u>-</u>	<u>7,680,103</u>	<u>8,276,765</u>	<u>-</u>	<u>8,276,765</u>
Supporting services:						
Management and general	1,181,667	-	1,181,667	1,351,187	-	1,351,187
Fundraising	<u>1,165,653</u>	<u>-</u>	<u>1,165,653</u>	<u>1,330,248</u>	<u>-</u>	<u>1,330,248</u>
	<u>2,347,320</u>	<u>-</u>	<u>2,347,320</u>	<u>2,681,435</u>	<u>-</u>	<u>2,681,435</u>
Total expenses	<u>10,027,423</u>	<u>-</u>	<u>10,027,423</u>	<u>10,958,200</u>	<u>-</u>	<u>10,958,200</u>
Change in net assets before adjustments	<u>294,174</u>	<u>(150,059)</u>	<u>144,115</u>	<u>(74,760)</u>	<u>(366,886)</u>	<u>(441,646)</u>
Pension liability adjustment (Note 8)	<u>727,997</u>	<u>-</u>	<u>727,997</u>	<u>1,341,473</u>	<u>-</u>	<u>1,341,473</u>
Change in net assets	<u>1,022,171</u>	<u>(150,059)</u>	<u>872,112</u>	<u>1,266,713</u>	<u>(366,886)</u>	<u>899,827</u>
Net assets - beginning	<u>15,516,572</u>	<u>8,448,575</u>	<u>23,965,147</u>	<u>14,249,859</u>	<u>8,815,461</u>	<u>23,065,320</u>
Net assets - ending	<u>\$ 16,538,743</u>	<u>\$ 8,298,516</u>	<u>\$ 24,837,259</u>	<u>\$ 15,516,572</u>	<u>\$ 8,448,575</u>	<u>\$ 23,965,147</u>

See accompanying notes.

UNITED WAY OF BUFFALO & ERIE COUNTY

Statement of Functional Expenses

For the year ended March 31, 2025

	Program Services	Supporting Services			Total
		Management and General	Fundraising	Total Supporting Services	
Allocations and distributions	\$ 2,352,469	\$ -	\$ -	\$ -	\$ 2,352,469
Designations	1,722,398	-	-	-	1,722,398
Grants and other awards	2,616,452	-	-	-	2,616,452
	6,691,319	-	-	-	6,691,319
Salaries	1,530,552	705,561	654,176	1,359,737	2,890,289
Payroll taxes and employee benefits	420,550	206,866	183,250	390,116	810,666
Total salaries and related expenses	1,951,102	912,427	837,426	1,749,853	3,700,955
Professional fees	100,557	76,532	46,094	122,626	223,183
Supplies	49,428	1,452	14,184	15,636	65,064
Telephone and internet	17,971	6,369	7,405	13,774	31,745
Postage	2,140	694	19,758	20,452	22,592
Occupancy	172,275	69,574	67,222	136,796	309,071
Printing and public relations	11,335	1,289	39,291	40,580	51,915
Travel, conferences and meetings	103,990	12,655	7,561	20,216	124,206
Dues and subscriptions	43,080	12,718	9,755	22,473	65,553
Software and equipment maintenance	85,692	27,882	32,419	60,301	145,993
Payments to National affiliate	62,128	23,791	27,662	51,453	113,581
Payments to State affiliate	13,035	4,620	5,372	9,992	23,027
Miscellaneous	10,162	375	15,124	15,499	25,661
Depreciation	88,287	31,289	36,380	67,669	155,956
	2,711,182	1,181,667	1,165,653	2,347,320	5,058,502
Totals (including designations)	9,402,501	1,181,667	1,165,653	2,347,320	11,749,821
Less: donor designations	(1,722,398)	-	-	-	(1,722,398)
	\$ 7,680,103	\$ 1,181,667	\$ 1,165,653	\$ 2,347,320	\$ 10,027,423

See accompanying notes.

UNITED WAY OF BUFFALO & ERIE COUNTY

Statement of Functional Expenses

For the year ended March 31, 2024

	Program Services	Supporting Services			Total
		Management and General	Fundraising	Total Supporting Services	
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
	<u>7,786,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,786,900</u>
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	<u>2,011,894</u>	<u>1,002,527</u>	<u>957,523</u>	<u>1,960,050</u>	<u>3,971,944</u>
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 National affiliate	53,573	29,496	33,741	63,237	116,810
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
	<u>2,681,817</u>	<u>1,351,187</u>	<u>1,330,248</u>	<u>2,681,435</u>	<u>5,363,252</u>
Totals (including designations)	<u>10,468,717</u>	<u>1,351,187</u>	<u>1,330,248</u>	<u>2,681,435</u>	<u>13,150,152</u>
Less: donor designations	<u>(2,191,952)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,191,952)</u>
	<u>\$ 8,276,765</u>	<u>\$ 1,351,187</u>	<u>\$ 1,330,248</u>	<u>\$ 2,681,435</u>	<u>\$ 10,958,200</u>

See accompanying notes.

UNITED WAY OF BUFFALO & ERIE COUNTY

Statements of Cash Flows

For the years ended March 31,	2025	2024
Operating activities:		
Change in net assets:		
Change in net assets before adjustments	\$ 144,115	\$ (441,646)
Pension liability adjustment (Note 8)	727,997	1,341,473
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	155,956	162,282
Net realized and unrealized gain on investments	(22,882)	(75,972)
Net appreciation of beneficial interest in assets held by Community Foundation for Greater Buffalo	(830,255)	(1,689,595)
Postretirement benefit settlement gain	(148,577)	-
Changes in other operating assets and liabilities:		
Annual campaign contributions receivable	821,758	661,047
Other contributions receivable	(190,279)	(57,107)
Other assets	6,543	19,797
Designations payable	(410,155)	(226,323)
Allocations payable	(168,968)	(120,292)
Accounts payable and accrued expenses	(90,426)	180,974
Refundable advances	9,389	9,552
Accrued pension liability	(836,240)	(1,211,459)
Accrued postretirement benefit obligation	(6,423)	(5,000)
Net operating activities	(838,447)	(1,452,269)
Investing activities:		
Purchase of investments	(360,795)	(85,870)
Proceeds from sale of investments	1,555,344	5,947
Transfers to beneficial interest in assets held by Community Foundation for Greater Buffalo	(43,000)	(61,338)
Purchase of property and equipment	(50,947)	(23,823)
Net investing activities	1,100,602	(165,084)
Net change in cash	262,155	(1,617,353)
Cash - beginning	905,920	2,523,273
Cash - ending	\$ 1,168,075	\$ 905,920

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 fundraising 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, fundraising, 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 July 31, 2025, 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 donor restricted and board-designated endowment funds 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 funds' 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 statements 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, 2025, United Way has been awarded (but not yet received) conditional contributions totaling approximately \$1,083,000 for future program and grant initiatives.

Annual campaign and other contributions receivable are stated at the amount management expects to collect from outstanding balances. Any adjustment to expected receipts is reported as an expense (or loss) in the net asset classification of the originating contribution. Contributions receivable 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 contributions revenue.

Gross campaign results are reduced by pledges collected on behalf of others or pledged to a specific organization (donor designation). 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 (SEFA), 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 SEFA campaign remits an administrative fee to United Way for campaign management services. The fees for the SEFA campaign were \$116,000 and \$115,000 for 2025 and 2024 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.

Fundraising Expenses:

Fundraising 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.

Reclassification:

The 2024 financial statements have been reclassified to conform to the presentation adopted in 2025.

2. Annual Campaign Contributions Receivable:

	2025	2024
Campaign year:		
2024 – 2025	\$ 3,421,533	\$ -
2023 – 2024	310,536	4,263,794
2022 – 2023	224,054	369,270
2021 – 2022	-	234,542
	<u>3,956,123</u>	4,867,606
Less allowance for uncollectible pledges	<u>644,554</u>	734,279
	<u>\$ 3,311,569</u>	\$ 4,133,327

Campaign contributions receivable include donor designated amounts payable of \$1,648,083 and \$2,058,238 as of March 31, 2025 and 2024.

3. Other Contributions Receivable:

	2025	2024
Gross unconditional promises to give from:		
Endowment campaign	\$ 115,000	\$ 206,000
Government awards	1,000,571	678,857
Foundation and other	<u>94,366</u>	<u>114,801</u>
	<u>1,209,937</u>	999,658
Less allowances for:		
Uncollectible endowment pledges	26,500	6,500
Unamortized discount	<u>3,500</u>	<u>3,500</u>
	<u>\$ 1,179,937</u>	\$ 989,658
Amounts due in:		
Less than one year	\$ 1,129,937	\$ 841,658
One to five years	70,000	138,000
Greater than five years	<u>10,000</u>	<u>20,000</u>
	<u>\$ 1,209,937</u>	\$ 999,658

4. Investments:

	2025	2024
Certificates of deposit	\$ 713,256	\$ 1,636,494
Money market	886,978	1,221,853
Mutual and exchange traded funds	<u>101,452</u>	<u>15,006</u>
	<u>\$ 1,701,686</u>	\$ 2,873,353

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

	2025	2024
Interest and dividends	\$ 59,933	\$ 35,026
Net realized and unrealized gain	<u>22,882</u>	<u>75,972</u>
	<u>\$ 82,815</u>	\$ 110,998

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

	2025	2024
Beginning of year	\$ 18,262,620	\$ 16,511,687
Transfers	43,000	61,338
Net appreciation	<u>830,255</u>	<u>1,689,595</u>
End of year	<u>\$ 19,135,875</u>	\$ 18,262,620

6. Property and Equipment:

	2025	2024
Land	\$ 158,930	\$ 158,930
Building and improvements	3,794,906	3,770,845
Furniture and equipment	<u>3,974,858</u>	<u>3,947,972</u>
	<u>7,928,694</u>	7,877,747
Less accumulated depreciation	<u>6,346,793</u>	<u>6,190,837</u>
	<u>\$ 1,581,901</u>	\$ 1,686,910

7. Short-Term Borrowings:

In October 2024, United Way obtained a \$1,000,000 bank demand line of credit with interest payable at prime plus 1%, secured by essentially all assets. No amounts were outstanding on the line at March 31, 2025.

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.

In February 2025, United Way's Board of Directors approved to terminate the defined benefit pension plan, whereby participants ceased to accrue benefits effective June 30, 2025, and the plan terminated on July 1, 2025. As a result, a plan curtailment occurred as of March 31, 2025, and a final plan settlement obligation will be determined and recognized in fiscal 2026, which will be funded by United Way through its available investments portfolio.

The status of the defined benefit pension plan at and for the years ended March 31, 2025 and 2024 is presented below. The measurement date used to determine the plan assets and benefit obligations is March 31st of each year.

	2025	2024
Projected benefit obligation	\$ (6,198,110)	\$ (6,628,673)
Fair value of plan assets	6,030,600	5,624,923
Funded status	\$ (167,510)	\$ (1,003,750)
Accumulated benefit obligation	\$ (6,198,110)	\$ (6,210,967)

Amounts recognized on the balance sheets:

	2025	2024
Accrued pension liability	\$ (167,510)	\$ (1,003,750)
Accumulated adjustment to net assets	\$ (95,250)	\$ (823,247)

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

	2025	2024
Unrecognized actuarial loss	\$ (95,250)	\$ (823,247)

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

	2025	2024
Unrecognized actuarial gain	\$ 727,997	\$ 1,341,473
Benefit cost:		
Service cost	\$ 148,134	\$ 177,074
Interest cost	309,413	309,261
Recognized loss	(290,790)	(81,321)
	\$ 166,757	\$ 405,014
Employer contributions	\$ 275,000	\$ 275,000
Benefits paid	\$ 221,780	\$ 198,219

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

	2025	2024
Discount rate	5.41%	4.93%
Expected future salary increase	3.00%	3.00%

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

	2025	2024
Discount rate	4.93%	4.50%
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 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, 2025. 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. The expected rate of return will be adjusted to 4.50% subsequent to March 31, 2025 based on the revised asset allocation noted below.

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

	2025	2024
Asset Category:		
Equity securities	-	51%
Fixed income	100%	49%
	100%	100%

Until January 2025, 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 believed the current mix of assets under a balanced growth concept provided an appropriate level of return to achieve current assumed return plan assumptions. The plan generally had a target asset allocation of 50% equity securities and 50% fixed income securities. In January 2025, United Way allocated all assets of the plan to fixed income to mitigate market volatility risk given the settlement and termination in fiscal 2026. 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, 2025 and 2024 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 2025 and 2024 is for the plan’s year-end at December 31, 2024 and December 31, 2023, 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 Plan Number	PPA Zone Status		Funded Percentage		FIP/RP Status Pending/ Implemented	United Way Contributions		Surcharge Imposed	Expiration Date of Collective- Bargaining Agreement
	2024	2023	2024	2023		2025	2024		
16-0908576/001	Green	Green	100%	96%	N/A	\$ 10,800	\$ 14,100	No	6/30/2025

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 2023 and 2022 (the most recent 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, 2025 and 2024 were \$59,136 and \$48,431.

Post-Retirement Health Care Benefits:

Through December 31, 2024, United Way provided post-retirement health care benefits for certain eligible employees. United Way’s practice was to fund these benefits as paid. Effective January 1, 2025, United Way terminated these benefits and as result, recognized a gain totaling \$148,577 after participant benefit settlement amounts were paid totaling \$6,423.

9. Net Assets:

Net assets without donor restrictions include board-designated endowment funds totaled to \$13,611,777 and \$12,932,946 at March 31, 2025 and 2024 (see Note 10).

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

	2025	2024
Subject to expenditure for specific purpose or program:		
Community resilience	\$ 564,638	\$ 566,578
Food access	294,601	-
WNY Girls in Sports	-	164,850
Other programs	166,693	116,384
	<u>1,025,932</u>	<u>847,812</u>
Subject to passage of time:		
Campaign pledges outstanding net of designations payable	1,663,486	2,075,089
Subject to United Way's spending policy and appropriation (see Note 10):		
Endowment assets to support:		
WNY Girls in Sports	2,533,288	2,548,007
General programs and operations	3,075,810	2,977,667
	<u>5,609,098</u>	<u>5,525,674</u>
	<u>\$ 8,298,516</u>	<u>\$ 8,448,575</u>

United Way's endowment assets represent the accumulated principal of endowment gifts invested in perpetuity, which totaled \$3,855,010 and \$3,923,010 as of March 31, 2025 and 2024, and the related unappropriated net investment earnings. Net endowment campaign receivables included in endowment assets above totaled \$85,000 and \$196,000 at March 31, 2025 and 2024 (see Note 3). During 2025, endowment campaign receivables totaling \$60,000 were written off and an additional provision for uncollectible pledges totaling \$20,000 was recorded to the related allowance as of March 31, 2025.

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 of Directors 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 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:

	Without Donor Restrictions (Board- designated)		With Donor Restrictions	Total
2025				
Endowment assets – beginning of year	\$	12,932,946	\$ 5,329,674	\$ 18,262,620
Net investment activity		548,212	282,043	830,255
Contributions		130,619	43,000	173,619
Appropriation		-	(130,619)	(130,619)
Endowment assets – end of year	\$	13,611,777	\$ 5,524,098	\$ 19,135,875

	Without Donor Restrictions (Board- designated)		With Donor Restrictions	Total
2024				
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

Appropriations included above were required by donor request. United Way elected not to make any discretionary appropriations during 2025 or 2024 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 also has available a \$1,000,000 bank demand line of credit (Note 7) if necessary.

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:

	2025	2024
Cash	\$ 1,168,075	\$ 905,920
Campaign pledges outstanding net of designations payable	1,663,486	2,075,089
Other contributions receivable – due in less than one year	1,129,937	841,658
Investments and beneficial interest in assets held by CFGF without donor restrictions, if necessary	14,287,531	14,958,487
	<u>\$ 18,249,029</u>	<u>\$ 18,781,154</u>