UNITED WAY OF THE MOHAWK VALLEY, INC.

Financial Statements as of
June 30, 2021 and 2020
Together with
Independent Auditor's Report
and Single Audit Reports

Bonadio & Co., LLP
Certified Public Accountants

UNITED WAY OF THE MOHAWK VALLEY, INC.

TABLE OF CONTENTS

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Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

March 31, 2022

To the Board of Directors of
United Way of the Mohawk Valley, Inc.:

Report on the Financial Statements
We have audited the accompanying financial statements of United Way of the Mohawk Valley, Inc. (a New York nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America as of and for the years ended June 30, 2021 and 2020 and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States as of and for the year ended June 30, 2021. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of the Mohawk Valley, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

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INDEPENDENT AUDITOR'S REPORT (Continued)

Emphasis of Matter
As described in Note 16 to the financial statements, errors resulting in the overstatement of net assets without donor restrictions as of July 1, 2019 and June 30, 2020 were discovered during the current year. Accordingly, an adjustment was made to net assets as of July 1, 2019, change in net assets without donor restrictions for 2020, and net assets as of June 30, 2020 to correct the errors. Our opinion is not modified with respect to this matter.

Other Matters
Our audit, as of and for the year ended June 30, 2021, was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2022, on our consideration of United Way of the Mohawk Valley's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters as of and for the year ended June 30, 2021. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of United Way of the Mohawk Valley's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering United Way of the Mohawk Valley's internal control over financial reporting and compliance.

Bonadio & Co., LLP

UNITED WAY OF THE MOHAWK VALLEY, INC.

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

	2021	(As Restated) 2020
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 488,033	$ 506,936
Promises to give, net of allowance	586,628	622,070
Grants receivable	492,096	493,204
Prepaid expenses	24,066	20,574
Total current assets	1,590,823	1,642,784
PROPERTY AND EQUIPMENT, net	32,869	25,409
OTHER ASSETS:		
Custodial funds	62,590	6,764
Beneficial interest in agency funds held by third party	1,456,522	1,110,586
Total other assets	1,519,112	1,117,350
Total assets	$ 3,142,804	$ 2,785,543
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Campaign designations payable	$ 196,995	$ 226,318
Accounts payable	46,035	88,919
Accrued expenses	104,559	142,052
Refundable advances	6,000	15,500
Total current liabilities	353,589	472,789
LONG-TERM DEBT	-	217,777
CUSTODIAL FUNDS	62,590	6,764
Total liabilities	416,179	697,330
NET ASSETS:		
Without donor restrictions	1,928,272	1,479,476
With donor restrictions	798,353	608,737
Total net assets	2,726,625	2,088,213
Total liabilities and net assets	$ 3,142,804	$ 2,785,543

The accompanying notes are an integral part of these statements.

UNITED WAY OF THE MOHAWK VALLEY, INC.

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT:			
Promises to give from current year campaign	$ 1,421,640	$ -	$ 1,421,640
Promises to give received from prior year campaigns	69,373	-	69,373
Gross campaign results	1,491,013	-	1,491,013
Less: Donor designations - funded partners	(77,596)	-	(77,596)
Less: Donor designations - other agencies	(140,948)	-	(140,948)
Less: Allowance for uncollectible pledges	(71,082)	-	(71,082)
Total campaign revenue, net	1,201,387	-	1,201,387
OTHER REVENUES, GAINS AND OTHER SUPPORT:			
Contributions, net of related expenses	73,622	-	73,622
Grants	1,756,715	-	1,756,715
Donated materials and services	28,827	-	28,827
Investment gain, net	158,376	189,616	347,992
Debt forgiveness income - PPP loan	217,777	-	217,777
Miscellaneous revenue	39,329	-	39,329
Collections and management service income	12,595	-	12,595
Special events, net of direct expenses of $16,489	76,930	-	76,930
Total other revenues, gains and other support	2,364,171	189,616	2,553,787
Total revenues, gains and other support	3,565,558	189,616	3,755,174
ALLOCATIONS, FUNCTIONAL, AND OTHER EXPENSES:			
Allocations to funded partners	496,202	-	496,202
Functional expenses:			
Program services:			
Community Impact	442,420	-	442,420
2-1-1	124,234	-	124,234
R-4-K	330,892	-	330,892
ESPRI	550,735	-	550,735
VITA	72,608	-	72,608
Housing	435,690	-	435,690
Supporting services:			
Management and general	268,493	-	268,493
Fundraising	368,037	-	368,037
Total functional expenses	2,593,109	-	2,593,109
Other expenses:			
National Organization membership fees	27,451	-	27,451
Total expenses	2,620,560	-	2,620,560
Total allocations, functional, and other expenses	3,116,762	-	3,116,762
CHANGE IN NET ASSETS	448,796	189,616	638,412
NET ASSETS - beginning of year	1,479,476	608,737	2,088,213
NET ASSETS - end of year	$ 1,928,272	$ 798,353	$ 2,726,625

The accompanying notes are an integral part of these statements.

UNITED WAY OF THE MOHAWK VALLEY, INC.

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2020

	(As Restated) Without Donor Restrictions	With Donor Restrictions	(As Restated) Total
REVENUES, GAINS, AND OTHER SUPPORT:			
Promises to give from current year campaign	$ 1,397,055	$ -	$ 1,397,055
Promises to give received from prior year campaigns	12,282	-	12,282
Gross campaign results	1,409,337	-	1,409,337
Less: Donor designations - funded partners	(111,134)	-	(111,134)
Less: Donor designations - other agencies	(137,982)	-	(137,982)
Less: Allowance for uncollectible pledges	(87,650)	-	(87,650)
Total campaign revenue, net	1,072,571	-	1,072,571
OTHER REVENUES, GAINS AND OTHER SUPPORT:			
Contributions, net of related expenses	76,587	-	76,587
Grants	1,909,407	-	1,909,407
Investment loss, net	(10,602)	(23,166)	(33,768)
Miscellaneous revenue	7,646	-	7,646
Collections and management service income	12,798	-	12,798
Special events, net of direct expenses of $4,058	77,191		77,191
Net assets released from restrictions	49,706	(49,706)	-
Total other revenues, gains and other support	2,122,733	(72,872)	2,049,861
Total revenues, gains and other support	3,195,304	(72,872)	3,122,432
ALLOCATIONS, FUNCTIONAL, AND OTHER EXPENSES:			
Allocations to funded partners	551,187	-	551,187
Functional expenses:			
Program services:			
Community Impact	422,577	-	422,577
2-1-1	130,348	-	130,348
R-4-K	237,451	-	237,451
ESPRI	1,120,961	-	1,120,961
VITA	77,219	-	77,219
Housing	273,070	-	273,070
Supporting services:			
Management and general	240,001	-	240,001
Fundraising	385,881	-	385,881
Total functional expenses	2,887,508	-	2,887,508
Other expenses:			
National Organization membership fees	17,979	-	17,979
Total expenses	2,905,487	-	2,905,487
Total allocations, functional, and other expenses	3,456,674	-	3,456,674
CHANGE IN NET ASSETS	(261,370)	(72,872)	(334,242)
NET ASSETS - beginning of year	1,740,846	681,609	2,422,455
NET ASSETS - end of year	$ 1,479,476	$ 608,737	$ 2,088,213

The accompanying notes are an integral part of these statements.

UNITED WAY OF THE MOHAWK VALLEY, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Totals for 2020)

	Program Services							Supporting Services			
	Community Impact	2-1-1	R-4-K	ESPRI	VITA	Housing	Total	Management and General	Fundraising	Total 2021	(As Restated) Total 2020
Salaries	$ 139,265	$ 63,983	$ 271,274	$ 60,000	$ 55,250	$ 164,698	$ 754,470	$ 141,209	$ 245,646	$ 1,141,325	$ 920,021
Employee benefits	9,935	807	15,673	7,005	660	13,607	47,687	14,002	16,158	77,847	80,411
Payroll taxes	9,342	4,893	20,899	4,306	4,214	11,235	54,889	11,606	17,702	84,197	65,673
Retirement plan	14,062	4,763	1,275	4,500	-	5,383	29,983	8,942	11,420	50,345	45,423
Total salaries and related expenses	172,604	74,446	309,121	75,811	60,124	194,923	887,029	175,759	290,926	1,353,714	1,111,528
Professional fees	4,296	41,390	981	-	-	800	47,467	23,525	7,184	78,176	102,963
Rent	5,552	-	-	-	6,840	46,889	59,281	8,329	9,254	76,864	144,550
Supplies	3,369	2,000	12,264	9,238	5,159	83	32,113	4,932	5,480	42,525	1,127,042
Outside services	223,478	-	-	465,343	-	191,873	880,694	-	-	880,694	245,281
Campaign supplies and communications	8,279	5,144	-	-	-	-	13,423	12,420	13,800	39,643	31,588
Equipment expenses	11,908	-	-	-	-	990	12,898	17,864	19,847	50,609	28,398
Board and staff development	367	941	630	-	-	-	1,938	550	611	3,099	10,883
Insurance	2,182	-	-	-	-	-	2,182	3,273	3,637	9,092	8,303
Telephone and internet service	1,524	313	-	317	485	-	2,639	2,286	2,540	7,465	7,845
Travel	145	-	3,171	-	-	132	3,448	217	241	3,906	6,897
Membership dues	695	-	-	-	-	-	695	1,043	1,159	2,897	5,378
Postage	1,217	-	-	26	-	-	1,243	1,825	2,028	5,096	4,822
Depreciation	1,745	-	-	-	-	-	1,745	2,618	2,909	7,272	1,555
Contribution expense	-	-	-	-	-	-	-	-	-	-	50,000
Donated services	1,450	-	4,725	-	-	-	6,175	8,438	2,405	17,018	-
Donated materials	2,834	-	-	-	-	-	2,834	4,251	4,724	11,809	-
Repairs and maintenance	775	-	-	-	-	-	775	1,163	1,292	3,230	475
Total functional expenses	$ 442,420	$ 124,234	$ 330,892	$ 550,735	$ 72,608	$ 435,690	$ 1,956,579	$ 268,493	$ 368,037	$ 2,593,109	$ 2,887,508

The accompanying notes are an integral part of these statements.

UNITED WAY OF THE MOHAWK VALLEY, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

(As Restated)

	Program Services							Supporting Services		
	Community Impact	2-1-1	R-4-K	ESPRI	VITA	Housing	Total	Management and General	Fundraising	Total
Salaries	$ 119,895	$ 57,196	$ 188,426	$ 60,000	$ 55,250	$ 108,237	$ 589,004	$ 106,208	$ 224,809	$ 920,021
Employee benefits	14,143	673	13,948	4,672	529	12,319	46,284	10,758	23,369	80,411
Payroll taxes	9,361	4,895	12,567	4,306	4,214	5,923	41,266	7,350	17,057	65,673
Retirement plan	12,193	2,931	1,387	1,385	-	-	17,896	9,971	17,556	45,423
Total salaries and related expenses	155,592	65,695	216,328	70,363	59,993	126,479	694,450	134,287	282,791	1,111,528
Professional fees	4,298	60,695	1,444	3,126	-	316	69,879	25,210	7,874	102,963
Rent	25,196	-	-	27,714	7,398	4,456	64,764	37,793	41,993	144,550
Supplies	8,607	872	15,744	1,019,283	6,099	50,826	1,101,431	11,810	13,801	1,127,042
Outside services	159,878	-	-	-	-	85,403	245,281	-	-	245,281
Campaign supplies and communications	5,681	-	-	-	144	-	5,825	8,596	17,167	31,588
Equipment expenses	6,084	325	897	-	-	1,826	9,132	9,126	10,140	28,398
Board and staff development	1,095	2,638	-	-	1,466	3,236	8,435	628	1,820	10,883
Insurance	1,993	-	-	-	-	-	1,993	2,989	3,321	8,303
Telephone and internet service	1,386	122	-	396	1,041	427	3,372	2,109	2,364	7,845
Travel	644	-	3,036	-	1,078	101	4,859	965	1,073	6,897
Membership dues	1,291	-	-	-	-	-	1,291	1,936	2,151	5,378
Postage	718	1	2	79	-	-	800	2,826	1,196	4,822
Depreciation	-	-	-	-		-	-	1,555	-	1,555
Contribution expense	50,000	-	-	-	-	-	50,000	-	-	50,000
Repairs and maintenance	114	-	-	-	-	-	114	171	190	475
Total functional expenses	$ 422,577	$ 130,348	$ 237,451	$ 1,120,961	$ 77,219	$ 273,070	$ 2,261,626	$ 240,001	$ 385,881	$ 2,887,508

The accompanying notes are an integral part of these statements.

UNITED WAY OF THE MOHAWK VALLEY, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	(As Restated) 2020
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	$ 638,412	$ (334,242)
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Depreciation	7,273	1,555
Bad debts	71,082	87,650
Gain on forgiveness of Paycheck Protection Program loan	(217,777)	-
Realized loss on investments	154	170
Contributions of donated assets	(5,634)	(6,055)
Change in beneficial interest in agency funds	(345,937)	89,243
Changes in:		
Promises to give	(35,640)	(33,782)
Grants receivable	1,108	(409,229)
Prepaid expenses	(3,492)	(6,319)
Campaign designations payable	(29,323)	(992)
Accounts payable	(42,884)	3,002
Accrued expenses	(37,493)	13,556
Refundable advances	(9,500)	(36,290)
Net cash flow from operating activities	(9,651)	(631,733)
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(14,732)	(26,965)
Proceeds from sales of investments	5,480	5,885
Net cash flow from investing activities	(9,252)	(21,080)
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issuance of Paycheck Protection Program loan	-	217,777
Net cash flow from financing activities	-	217,777
CHANGE IN CASH AND CASH EQUIVALENTS	(18,903)	(435,036)
CASH AND CASH EQUIVALENTS - beginning of year	506,936	941,972
CASH AND CASH EQUIVALENTS - end of year	$ 488,033	$ 506,936

The accompanying notes are an integral part of these statements.

1. NATURE OF ACTIVITIES

United Way of the Mohawk Valley, Inc. (United Way) is a local member of United Way Worldwide. United Way was formed to develop resources needed to address the health and human service needs of the community.

Annual workplace fundraising campaigns are conducted each year in partnership with local companies to raise money for strategic investment into critical local programs and initiatives in the key areas of health, education, and financial stability. These funds are allocated by United Way in the subsequent year. United Way also raises funds through a number of marketing sponsorships and events.

United Way continues to manage several federal and state grants in the areas of housing, childcare, early intervention, and information and referral (211) that support the key areas of focus mentioned above.

United Way staff in the Community Impact department, in partnership with a volunteer committee made up of members from the United Way Board of Directors and community at large, choose programs to invest in that seek to create positive, measurable impact. United Way's Community Impact team builds and convenes community partnerships and coalitions, assesses community needs driven by data, and oversees the strategic investment process.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation
The financial statements are presented in accordance with accounting principles generally accepted in the United States of America (GAAP). The United Way reports information regarding its financial position and activities using the following categories:

- **Net Assets Without Donor Restrictions**
  Net assets without donor restrictions include resources that are available for the support of the United Way's operating activities.

- **Net Assets With Donor Restrictions**
  Net assets with donor restrictions include resources that have been donated to the United Way subject to restrictions as defined by the donor. The satisfaction of the restrictions is reflected as net assets released from restrictions in the statements of activities and change in net assets.

Cash and Cash Equivalents
The United Way considers all short-term investments with an initial maturity of three months or less to be cash equivalents. For purposes of determining cash and cash equivalents, the United Way excludes cash and cash equivalents included in investments. There are no cash equivalents as of June 30, 2021 and 2020.

Funds at each financial institution were insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC). Cash and cash equivalents exceeding federally insured limits total $138,443 and $56,084 at June 30, 2021 and 2020, respectively. The United Way does not require additional collateral, has not experienced any losses in these accounts and believes it is not exposed to any significant risks with respect to cash and cash equivalents.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

From time to time, the United Way receives donations of marketable securities in satisfaction of campaign pledges. The United Way's policy is to sell such securities immediately. There were no marketable securities held at June 30, 2021 and 2020.

Beneficial Interest in Agency Funds Held by Third Party

The United Way is the beneficiary under a Designated Agency Fund Agreement with The Community Foundation of Herkimer & Oneida Counties, Inc. The agency fund has been recorded in accordance with GAAP which states that if a community foundation receives assets from a nonprofit organization that specifies itself or its affiliate as the beneficiary, the transfer is not a contribution received by the community foundation even if the variance power is explicitly stated in the gift instrument. The assets of the fund are included in the statements of financial position of the United Way as a beneficial interest in agency fund held by third party. Distributions are to be paid at least annually, or as the two organizations may from time to time agree upon. In addition, the fund is charged a .125% administrative fee quarterly on the fund's balance.

Property and Equipment

Property and equipment purchased is recorded at cost and depreciated using the straight-line method over the estimated useful lives of the assets, which range from three to seven years. Major additions and improvements to property and equipment which extend the lives or increase the value of the assets are capitalized to the respective asset accounts while replacements, maintenance and repairs which do not improve or extend the life of the assets are expensed as incurred. The United Way's capitalization policy is to capitalize only those expenditures in excess of $1,000. When assets are sold or retired, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is included in operations.

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the United Way reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The United Way reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Custodial Funds

Custodial funds consist of funds held by the United Way to facilitate multi-organization events conducted in the area. These funds are received and disbursed on behalf of the event and are not part of any program operated by the United Way. Custodial funds held as of June 30, 2021 and 2020, were $62,590 and $6,764, respectively.

Donor Designations

Under GAAP, when a recipient organization accepts assets from a donor and agrees to use those assets on behalf of a specified beneficiary or disburse those assets or the return on investment on those assets to that beneficiary, the recipient organization has not received a contribution. In this instance, the United Way is required to recognize a liability to the specified beneficiary when it recognizes the assets received from the donor. The amounts are recorded in the statements of financial position as campaign designations payable and are measured at fair market value at the date of donation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. Payroll and benefits are allocated based on time spent in the various programs. Depreciation, maintenance and occupancy related costs are allocated based on management's estimates. Allocations to funded agencies are all considered program expenses.

Revenue Recognition – Grants and Contributions

Grants received from governments, agencies and others, which are conditioned upon the United Way incurring certain qualifying costs or meeting other conditions, are recognized as revenue when the qualifying costs are incurred. Funds received, but not yet earned are recorded as refundable advances. Funds for qualifying costs incurred and recognized as revenue, but not yet received, are recorded as grants and donations receivable.

Gifts of cash and other assets are reported as net assets without donor restrictions unless they are received with donor stipulations that limit the use of the donated assets. Gifts with donor restrictions are reported as net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, assets with donor restrictions are reclassified to assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Because there is a new campaign every year, unconditional promises to give are treated as current year promises. Conditional promises to give are recognized only when the conditions on which they depend are met and the promises become unconditional. The United Way estimates an allowance for uncollectible promises to give based on historical collections data and current economic conditions. Although management has reviewed the collection history while projecting the allowance, it is reasonably possible that actual uncollectible pledges may differ from the estimated allowance. Open accounts are written off after all collection efforts have been exhausted and the pledge is determined to be uncollectible.

The United Way records promises to give when there is sufficient evidence in the form of verifiable documentation that a promise was made. Accordingly, as of June 30, 2021 and 2020, the United Way reflects those promises to give that meet such criteria.

Donated Materials

The United Way receives various materials and supplies from local businesses and individuals for use in its programs and operations. Donated materials are valued at the estimated fair market value at the date of donation.

Income Tax Status

The United Way is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the United Way qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(1).

Use of Estimates

The preparation of financial statements in conformity with GAAP in the United States of America requires management to make estimates and judgements that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates, particularly given the economic disruptions and uncertainties associated with the ongoing COVID-19 pandemic, and such differences may be significant.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Risks and Uncertainties

The United States is presently in the midst of a national health emergency related to a virus, commonly known as Novel Coronavirus (COVID-19). The overall consequences of COVID-19 on a national, regional and local level are unknown, but it has the potential to result in a significant economic impact. The impact of this situation on the United Way and its future results and financial position is not presently determinable.

Paycheck Protection Program Loan

The United Way is accounting for the Paycheck Protection Program Loan (“PPP Loan”) under FASB Accounting Standards Codification 470, *Debt*. The United Way applied for forgiveness under the Paycheck Protection Program and recognized the extinguishment of debt as income once the forgiveness application was approved by the lender and the United Way was legally released as primary obligor.

Change in Accounting Principle

In August 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement.* This ASU eliminates, adds and modifies certain disclosure requirements for fair value measurements. The standard is effective for all entities for financial statements issued for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. The United Way has adopted this standard in 2021. The disclosure requirements are being applied on a retrospective approach. The adoption of this guidance had no impact on the statements of financial position and statements of activities.

3. LIQUIDITY

The United Way has a goal to maintain financial assets on hand to meet normal operating expenses. The United Way has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The United Way’s financial assets available within one year of the statement of financial position date for general expenditure are as follows at June 30:

	2021	2020
Cash and cash equivalents	$ 488,033	$ 506,936
Promises to give, net of allowance	586,628	622,070
Grants receivable	492,096	493,204
Financial assets available to meet cash needs for general expenditures within one year	$ 1,566,757	$ 1,622,210

The United Way maintains sufficient cash that is readily available for general expenditures. Additionally, the United Way’s ability to meet its cash needs is further dependent, in part, on timely collection of its promises to give and grants receivable. The United Way’s promises to give and grants receivable are due primarily from organizations and individuals. The United Way employs procedures specifically designed to collect from these payers as quickly as possible. However, timeliness of payment from these payers varies and is sometimes difficult to predict.

4. PROMISES TO GIVE

All promises to give are expected to be received within one year. At June 30, promises to give consisted of the following:

	2021	2020
Promises to give:		
2018 – 2019 campaign	$ -	$ 92,964
2019 – 2020 campaign	56,242	691,923
2020 – 2021 campaign	657,710	-
Total promises to give	713,952	784,887
Less allowance for uncollectibles:		
2018 – 2019 campaign	-	(92,964)
2019 – 2020 campaign	(56,242)	(69,853)
2019 – 2021 campaign	(71,082)	-
Net promises to give	$ 586,628	$ 622,070

5. PROPERTY AND EQUIPMENT

At June 30, property and equipment consisted of the following:

	2021	2020
Furniture, fixtures and equipment	$ 41,697	$ 26,964
Less: Accumulated depreciation	(8,828)	(1,555)
Property and equipment, net	$ 32,869	$ 25,409

Depreciation expense for the years ended June 30, 2021 and 2020 was $7,272 and $1,555 respectively.

6. CAMPAIGN DESIGNATIONS PAYABLE

At June 30, campaign designations payable consisted of the following:

	2021	2020
Funded partners	$ 77,596	$ 111,134
Other United Way organizations	61,543	42,039
Other agencies	57,856	73,145
Campaign designations payable	$ 196,995	$ 226,318

7. DONATED SERVICES AND FACILITIES

Donated services are recognized as contributions in accordance with GAAP, 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 the United Way. Many volunteers provided services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria under GAAP was not met. Also, numerous agencies have donated significant advertising materials and airtime. No amounts for these services have been recorded in the financial statements.

In 2020, the use of the facilities where United Way operated was donated by Utica National Insurance Company which owns the real property and most of the personal property at the site. Amounts have been recognized as revenues and expenses in the accompanying statement of activities and changes in net assets for the fair market value of the donated facilities ($74,880 for the year ended June 30, 2020). All operating and maintenance expenses for the facilities were the responsibility of Utica National Insurance Company. The lease agreement for the donated facilities expired on June 30, 2020.

In 2021, the lessor of the United Way operational space at 258 Genesee Street in Utica donated one month of rent to United Way, in the amount of $6,250.

8. BENEFICIAL INTEREST IN AGENCY FUNDS HELD BY THIRD PARTY

The components of the agency funds are as follows as of June 30:

	2021	2020
Operating funds (without donor restrictions)	$ 162,808	$ 124,140
Building fund (without donor restrictions)	495,361	377,709
Raymonda Scholarship (with donor restrictions)	311	237
Endowment earnings (with donor restrictions)	522,889	333,347
Endowment fund (with donor restrictions)	275,153	275,153
Total beneficial interest	$ 1,456,522	$ 1,110,586

9. FAIR VALUE MEASUREMENTS

GAAP states that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. GAAP also establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are described below:

Level 1: Quoted prices in active markets that are accessible at the measurement date for identical assets and liabilities.

Level 2: Inputs, other than quoted prices in active markets, that are observable either directly or indirectly and fair value is determined through the use of models or other valuation methodologies.

9. FAIR VALUE MEASUREMENTS (Continued)

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

Investments are classified in their entirety based on the lower level of input that is significant to the fair value measurements. The following table sets forth the United Way's investments that were accounted for at fair value at June 30, 2021 and 2020:

	Level 1	Level 2	Level 3	Total
June 30, 2021				
Beneficial interest in Community Foundation	$ -	$ 1,456,522	$ -	$ 1,456,522
June 30, 2020				
Beneficial interest in Community Foundation	$ -	$ 1,110,586	$ -	$ 1,110,586

The fair value of the United Way's beneficial interest in the Community Foundation's investment pool was provided by the Community Foundation based on the fair value of the underlying assets using quoted market prices as well as observable inputs from the Community Foundation's investment custodian. There were no changes in the valuation methodology in 2021 and 2020.

10. NET ASSETS

Without Donor Restrictions

From time to time, the Board designates net assets without donor restrictions for specific purposes. Net assets without donor restrictions consisted of the following designated and undesignated amounts as of June 30:

	2021	(As Restated) 2020
Designated by Board for:		
Building fund	$ 495,361	$ 377,708
Future allocations	437,702	466,202
Undesignated	995,209	635,566
Total net assets without donor restrictions	$ 1,928,272	$ 1,479,476

10. NET ASSETS (Continued)

With Donor Restrictions

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

	2021	2020
Raymonda Scholarship	$ 311	$ 237
Endowment earnings	522,889	333,347
Total net assets with time and/or purpose restrictions	523,200	333,584
Net assets restricted in perpetuity	275,153	275,153
Total net assets with donor restrictions	$ 798,353	$ 608,737

Endowment Funds

The United Way's beneficial interest in endowment fund consists of funds held by The Community Foundation of Herkimer & Oneida Counties, Inc. The endowment consists of donor-restricted endowment. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors has interpreted the New York Uniform 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 the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation the United Way classifies as with donor restrictions net assets (a) the original value of gifts donated to the donor-restricted endowment, (b) the original value of subsequent gifts to the donor-restricted endowment, and (c) accumulations to the donor-restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in with donor restrictions net assets is classified as with donor restrictions net assets and maintained as such for appropriation for expenditure by the United Way in a manner consistent with the standard of prudence prescribed by NYPMIFA and donors' restrictions on use. In accordance with the NYPMIFA, the United Way considers the following factors in making a determination to appropriate or accumulate endowment funds:

- The duration and preservation of the fund
- The purposes of the United Way and the endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the United Way
- 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 the institution; and
- The investment policies of the United Way

10. NET ASSETS (Continued)

Investment Return Objectives, Risk Parameters and Strategies

The United Way has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by the endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk.

Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 3.5%, while growing the funds if possible. Therefore, the United Way expects its endowment assets, over time, to produce an average rate of return in excess of the distribution rate. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy

The United Way has a policy of appropriating for distribution each year up to 3.5% of its endowment fund's average fair value of the prior 20 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the United Way considered the long-term expected return on its investment assets, the nature and duration of the endowment fund, which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. The United Way expects the current spending policy to allow its endowment funds to grow on an annual basis. This is consistent with the United Way's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return.

Appropriations from the endowment fund were $0 and $49,706 for 2021 and 2020, respectively.

Endowment net asset composition by type of fund is as follows as of June 30, 2021:

	With Donor Restrictions
Donor-restricted endowment funds	$ 798,042

Endowment net asset composition by type of fund is as follows as of June 30, 2020:

	With Donor Restrictions
Donor-restricted endowment funds	$ 608,500

10. NET ASSETS (Continued)

Changes in endowment net assets for the years ended June 30, 2021 and 2020 were as follows:

	With Donor Restrictions
Endowment net assets, beginning of year, 2020	$ 681,364
2020 Changes in endowment:	
Investment return	(23,158)
Appropriations	(49,706)
Endowment net assets, end of year, 2020	$ 608,500
2021 Changes in endowment:	
Investment return	189,542
Endowment net assets, end of year, 2021	$ 798,042

11. CONCENTRATION OF CREDIT RISK

Promises to Give

The United Way solicits promises to give for its annual campaign within the Mohawk Valley and the greater Utica area and its surrounding suburbs. The vast majority of those promises received represent promises to pay at a later date either directly or through payroll deductions. Although the United Way has a diversified promise base, a substantial portion of its donors' ability to honor their promises is dependent upon general economic conditions of the governmental and commercial sectors within the Utica area.

12. RETIREMENT PLAN

The United Way has established a tax-deferred annuity plan under Section 403(b) of the Internal Revenue Code. The plan covers all employees of the United Way who meet certain age, hours, and length of service requirements. Each plan year the United Way contributes 5% of gross salaries for qualified employees of the plan. Employees may make contributions to the plan which must be matched by the United Way equal to the lessor of 50% of the salary reduction amount during the plan year or 2.5% of compensation received during the plan year. Retirement plan expense was $58,962 and $45,423 for the years ended June 30, 2021 and 2020, respectively.

13. COMMITMENTS

Unemployment Insurance

The United Way is self-insured with respect to New York State Unemployment Benefits. Under the reimbursement option, the United Way is required to pay all approved unemployment claims as presented. Claims paid under this arrangement for the years ended June 30, 2021 and 2020 totaled $0 and $12,069, respectively. Management believes the self-funding arrangement will result in reduced unemployment costs for the United Way based on previous claims experience. The accompanying financial statements do not reflect any liability for future claims as management believes that there are no significant pending claims.

13. COMMITMENTS (Continued)

Operating Leases

The United Way leases equipment and office space under operating leases and charges the costs to expense as incurred. The amount charged to expense for the years ended June 30, 2021 and 2020 was $86,102 and $71,534, respectively. Future minimum payments under all operating leases are as follows for the years ending June 30:

2022	$ 88,116
2023	89,546
2024	84,000
2025	84,000
Total	$ 345,662

14. LONG-TERM DEBT

Long-term debt consisted of the following as of June 30, 2020:

Paycheck Protection Program Loan	$ 217,777
Less: Current portion	-
Total long-term debt	$ 217,777

Paycheck Protection Program Loan

On April 16, 2020, the United Way qualified for and received a loan pursuant to the Paycheck Protection Program, a program implemented by the U.S. Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security Act, from a qualified lender (the “PPP Lender”), for an aggregate principal amount of approximately $217,777 (the "PPP Loan"). The PPP Loan bore interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, had a term of two years, and was unsecured and guaranteed by the U.S. Small Business Administration. The United Way received forgiveness from the SBA of the full $217,777 in December 2020.

15. CONDITIONAL PROMISES TO GIVE

Conditional promises to give were received with the following conditions as of June 30:

	2021	2020
Cost reimbursement grants - conditioned upon meeting agreed-upon expenditures for reimbursement	$ 595,119	$ 671,971

16. PRIOR PERIOD ADJUSTMENT

During the fiscal year ended June 30, 2021, the Organization identified an error in the calculation of employer retirement contributions dating back to 2016. This error resulted in an overstatement of total net assets at June 30, 2020 of $54,413. The effect of the correction on net assets without donor restrictions was a decrease of $54,413 as of June 30, 2020.

16. PRIOR PERIOD ADJUSTMENT (Continued)

The effects of the restatement on the change in net assets, statement of activities, and financial position as of and for the year ended June 30, 2020 are as follows:

	As Previously Reported	As Restated
Net assets without donor restrictions, beginning of year	$ 1,788,334	$ 1,740,846
Retirement plan expense	38,498	45,423
Accrued expenses	87,639	142,052
Net assets without donor restrictions, end of year	1,533,889	1,479,476

17. SUBSEQUENT EVENTS

The United Way has evaluated subsequent events through March 31, 2022, which is the date the financial statements were available to be issued.

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

March 31, 2022

To the Board of Directors of
United Way of the Mohawk Valley, Inc.:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the United Way of the Mohawk Valley, Inc. (United Way) (a New York nonprofit organization) which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 31, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the United Way's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the United Way's internal control. Accordingly, we do not express an opinion on the effectiveness of the United Way's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a material weakness.

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(Continued)

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the United Way's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

United Way of the Mohawk Valley's Response to Finding
United Way of the Mohawk Valley's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. United Way of the Mohawk Valley's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bonadio & Co., LLP

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

March 31, 2022

To the Board of Directors of
United Way of the Mohawk Valley, Inc.:

Report on Compliance for Each Major Federal Program
We have audited the United Way of the Mohawk Valley, Inc.'s (United Way) (a New York nonprofit organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the United Way's major federal programs for the year ended June 30, 2021. The United Way's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility
Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility
Our responsibility is to express an opinion on compliance for each of the United Way's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the United Way's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the United Way's compliance.

Opinion on Each Major Federal Program
In our opinion, the United Way complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE
(Continued)

Report on Internal Control Over Compliance
Management of the United Way is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the United Way's internal control over compliance with the types of compliance requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the United Way's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Bonadio & Co., LLP

UNITED WAY OF THE MOHAWK VALLEY, INC.

SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Program or Cluster Title	Assistance Listings	Pass-through Grantor and Number	Passed-through to Subrecipients	Federal Expenditures
CDBG - Entitlement Grants - Cluster				
Department of Housing and Urban Development				
COVID-19 Community Block Development Grants/Entitlement Grants	14.218	Oneida County	$ -	$ 38,000
COVID-19 Community Block Development Grants/Entitlement Grants	14.218	City of Utica	-	195,000
Community Block Development Grants/Entitlement Grants	14.218	City of Utica	50,000	50,000
Total Department of Housing and Ubran Development			50,000	283,000
Total CDBG - Entitlement Grants - Cluster			50,000	283,000
Department of Health and Human Services				
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104	Herkimer County	-	256,776
Total Department of Health and Human Services			-	256,776
Department of Housing and Urban Development				
Continuum of Care program	14.267		-	232,035
Total Department of Housing and Urban Development			-	232,035
Department of the Treasury				
Volunteer Income Tax Assistance (VITA) Matching Grant Program	21.009		-	22,100
Total Department of the Treasury			-	22,100
			$ 50,000	$ 793,911

The accompanying notes are an integral part of this schedule.

UNITED WAY OF THE MOHAWK VALLEY, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the United Way of the Mohawk Valley, Inc. under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the United Way of the Mohawk Valley, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of the United Way of the Mohawk Valley, Inc..

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Cost Principles
Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Costs
The United Way of the Mohawk Valley, Inc. has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

UNITED WAY OF THE MOHAWK VALLEY, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

A. SUMMARY OF AUDITOR'S RESULTS

1. The independent auditor's report expresses an unmodified opinion on whether the financial statements of the United Way of the Mohawk Valley, Inc. were prepared in accordance with GAAP.

2. One material weakness relating to the audit of the financial statements is reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

3. No instances of noncompliance material to the financial statements of the United Way of the Mohawk Valley, Inc. which would be required to be reported in accordance with *Government Auditing Standards,* were disclosed during the audit.

4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance.

5. The independent auditor's report on compliance for the major federal award programs for the United Way of the Mohawk Valley, Inc. expresses an unmodified opinion on the major federal program.

6. There were no audit findings that are required to be reported in accordance with Section 200.516(a) of the Uniform Guidance.

7. The programs tested as major programs were: CDBG – Entitlement Grants – Cluster: Community Development Block Grants/Entitlement Grants, Assistance Listing #14.218 and Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED), Assistance Listing #93.104.

8. The threshold for distinguishing between Types A and B programs was $750,000.

9. The United Way of the Mohawk Valley, Inc. was not determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

Finding 2021-001 - Restatement of Prior Period Net Assets and Retirement Expense

Condition/Context: Employer retirement contribution expenses were materially misstated in prior year financial statements from 2016 through 2020.

Criteria: Retirement expenses, accrued expenses, and net assets must be recorded in accordance with GAAP.

Cause: Employer retirement contributions were improperly calculated from 2016 through 2020 due to an error made in 2016 when payroll services were migrated from one vendor to another. The software migration in 2016 was not executed accurately, and compliance procedures in place with the retirement plan administrator did not identify inconsistencies between contributions and the retirement plan document.

Effect: Adjusting journal entries were necessary to record prior year additional retirement expense of $6,925, a decrease in prior year beginning net assets of $47,488, and additional accrued expenses of $54,413 as of June 30, 2020.

Recommendation: We recommend that finance personnel develop controls to ensure all retirement contributions are in compliance with the retirement plan documents. Management and finance personnel should complete a comprehensive review of the internal controls over retirement contributions to ensure that all amounts included in the United Way's financial statements are in accordance with GAAP.

Views of Management and Planned Corrective Action: Management agrees with the entries recommended. Management has performed a full review and correction of missed retirement contributions. Controls have been established to ensure future employer contributions are accurately calculated and remitted to the retirement plan.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None