

**FINANCIAL STATEMENTS OF
UNITED WAY OF TOMPKINS COUNTY, INC.
YEARS ENDED JUNE 30, 2019 AND 2018**

INDEPENDENT AUDITOR'S REPORT

Board of Directors
United Way of Tompkins County, Inc.
Ithaca, New York 14850

We have audited the accompanying financial statements of United Way of Tompkins County, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 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 Tompkins County, Inc. as of June 30, 2019 and 2018, 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.

A handwritten signature in black ink that reads "Sciarabba Walker & Co. LLP". The signature is written in a cursive, flowing style.

Sciarabba Walker & Co., LLP

Ithaca, New York
November 18, 2019

UNITED WAY OF TOMPKINS COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
June 30,

ASSETS

	2019	2018
CURRENT ASSETS:		
Cash and cash equivalents	\$ 458,091	\$ 491,586
Short-term investments	393,270	391,514
Unconditional promises to give, net of allowance for doubtful accounts of \$58,051	561,133	556,083
Other accounts receivable	21,437	21,155
Prepaid expenses	25,676	26,196
TOTAL CURRENT ASSETS	1,459,607	1,486,534
LONG-TERM INVESTMENTS	735,459	850,059
FUNDS HELD IN TRUST BY OTHERS	136,923	134,432
PROPERTY AND EQUIPMENT:		
Property and equipment, net of accumulated depreciation of \$281,208 and \$269,360, respectively	41,562	46,653
TOTAL ASSETS	\$ 2,373,551	\$ 2,517,678

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable	\$ 27,615	\$ 21,204
Agency allocations payable	178,436	126,457
Deferred designations payable	221,520	239,573
TOTAL CURRENT LIABILITIES	427,571	387,234
NET ASSETS:		
Without donor restrictions	349,372	517,349
With donor restrictions	1,596,608	1,613,095
TOTAL NET ASSETS	1,945,980	2,130,444
TOTAL LIABILITIES AND NET ASSETS	\$ 2,373,551	\$ 2,517,678

See accompanying notes.

UNITED WAY OF TOMPKINS COUNTY, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the year ended June 30,

	2019		
	Net assets without donor restrictions	Net assets with donor restrictions	Total
PUBLIC SUPPORT AND REVENUE:			
Contributions:	\$ -	\$ 1,762,031	\$ 1,762,031
Less: designations		(391,560)	(391,560)
Less: collection loss	-	(48,719)	(48,719)
Investment income	12,544	1,702	14,246
Realized gain (loss) on investments	7,837	(554)	7,283
Unrealized gain on investments	11,140	1,344	12,484
Rental income	25,160	-	25,160
Other income	3,675	-	3,675
In-kind donations	241,431	-	241,431
Assets released from restrictions:			
Released from restrictions by time	1,340,731	(1,340,731)	-
TOTAL PUBLIC SUPPORT AND REVENUE	<u>1,642,518</u>	<u>(16,487)</u>	<u>1,626,031</u>
EXPENSES:			
Allocations	819,763	-	819,763
Flexible funds awards	14,800	-	14,800
Special grants	18,301	-	18,301
Student engagement grants	49,400	-	49,400
Functional expenses:			
Fundraising	135,835	-	135,835
Fundraising - In-kind	241,431	-	241,431
Marketing and communication	44,398	-	44,398
Allocations and agency relations	99,216	-	99,216
Planning	48,950	-	48,950
Other program expenses	67,105	-	67,105
Management and general	226,105	-	226,105
Total functional expenses	<u>863,040</u>	<u>-</u>	<u>863,040</u>
Livermore operating expenses	<u>45,191</u>	<u>-</u>	<u>45,191</u>
TOTAL EXPENSES	<u>1,810,495</u>	<u>-</u>	<u>1,810,495</u>
CHANGE IN NET ASSETS	(167,977)	(16,487)	(184,464)
NET ASSETS, beginning of year	<u>517,349</u>	<u>1,613,095</u>	<u>2,130,444</u>
NET ASSETS, end of year	<u>\$ 349,372</u>	<u>\$ 1,596,608</u>	<u>\$ 1,945,980</u>

See accompanying notes.

UNITED WAY OF TOMPKINS COUNTY, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the year ended June 30,

	2018		
	Net assets without donor restrictions	Net assets with donor restrictions	Total
PUBLIC SUPPORT AND REVENUE:			
Contributions:	\$ -	\$ 1,861,238	\$ 1,861,238
Less: designations		(412,413)	(412,413)
Less: collection loss	-	(54,761)	(54,761)
Investment income	14,748	1,902	16,650
Realized gain on investments	80,220	3,927	84,147
Unrealized loss on investments	(22,705)	(3,141)	(25,846)
Rental income	24,485	-	24,485
Other income	7,010	-	7,010
In-kind donations	168,468	-	168,468
Assets released from restrictions:			
Released from restrictions by time	1,451,058	(1,451,058)	-
TOTAL PUBLIC SUPPORT AND REVENUE	<u>1,723,284</u>	<u>(54,306)</u>	<u>1,668,978</u>
EXPENSES:			
Allocations	877,052	-	877,052
Special grants	67,770	-	67,770
Student engagement grants	49,424	-	49,424
Functional expenses:			
Fundraising	187,689	-	187,689
Fundraising - In-kind	168,468	-	168,468
Marketing and communication	30,399	-	30,399
Allocations and agency relations	97,121	-	97,121
Planning	46,641	-	46,641
Other program expenses	51,635	-	51,635
Management and general	183,618	-	183,618
Total functional expenses	<u>765,571</u>	<u>-</u>	<u>765,571</u>
Livermore operating expenses	<u>42,962</u>	<u>-</u>	<u>42,962</u>
TOTAL EXPENSES	<u>1,802,779</u>	<u>-</u>	<u>1,802,779</u>
CHANGE IN NET ASSETS	(79,495)	(54,306)	(133,801)
NET ASSETS, beginning of year	596,844	1,667,401	2,264,245
NET ASSETS, end of year	<u>\$ 517,349</u>	<u>\$ 1,613,095</u>	<u>\$ 2,130,444</u>

See accompanying notes.

UNITED WAY OF TOMPKINS COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2019

	<u>Fundraising</u>	<u>UW and Agency Program Promotion</u>	<u>Community Impact and Agency Relations</u>
Salaries	\$ 60,754	\$ 30,574	\$ 66,872
Other benefits	6,422	2,986	4,773
Employee benefits	8,128	2,369	6,773
Payroll taxes	<u>5,721</u>	<u>2,569</u>	<u>5,654</u>
TOTAL SALARIES AND RELATED EXPENSES	81,025	38,498	84,072
Professional fees	34,460	458	4,169
Supplies	3,863	275	749
Telephone	1,520	290	1,012
Postage and shipping	530	-	684
Printing and copying expense	3,282	86	1,064
Marketing	2,883	4,507	1,333
Marketing - In-kind	241,431	-	-
Bank, credit card, and stock fees	4,815	-	-
Travel, conferences, conventions, and meetings	1,932	-	1,557
Insurance	1,275	284	876
Miscellaneous	<u>-</u>	<u>-</u>	<u>693</u>
TOTAL EXPENSES BEFORE DUES AND DEPRECIATION	377,016	44,398	96,209
Membership dues	<u>250</u>	<u>-</u>	<u>3,007</u>
TOTAL BEFORE DEPRECIATION	377,266	44,398	99,216
Depreciation	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUNCTIONAL EXPENSES	<u>\$ 377,266</u>	<u>\$ 44,398</u>	<u>\$ 99,216</u>

See accompanying notes.

<u>Planning and Community Impact</u>	<u>Other Program Expenses</u>	<u>Management and General</u>	<u>Total</u>
\$ 30,784	\$ 46,518	\$ 133,328	\$ 368,830
2,024	4,156	7,241	27,602
3,278	3,388	17,485	41,421
2,515	3,755	10,081	30,295
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38,601	57,817	168,135	468,148
8,723	3,683	24,667	76,160
229	2,500	1,718	9,334
364	1,396	1,326	5,908
-	2	1,385	2,601
181	169	2,244	7,026
21	45	611	9,400
-	-	-	241,431
-	52	-	4,867
559	806	3,230	8,084
272	635	1,038	4,380
-	-	590	1,283
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48,950	67,105	204,944	838,622
-	-	21,161	24,418
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48,950	67,105	226,105	863,040
-	-	-	-
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<u>\$ 48,950</u>	<u>\$ 67,105</u>	<u>\$ 226,105</u>	<u>\$ 863,040</u>

UNITED WAY OF TOMPKINS COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2018

	<u>Fundraising</u>	<u>UW and Agency Program Promotion</u>	<u>Community Impact and Agency Relations</u>
Salaries	\$ 117,600	\$ 11,653	\$ 63,606
Other benefits	7,023	453	1,903
Employee benefits	17,761	2,191	12,923
Payroll taxes	9,487	920	4,981
TOTAL SALARIES AND RELATED EXPENSES	151,871	15,217	83,413
Professional fees	6,765	5,213	3,979
Supplies	7,790	95	426
Telephone	1,602	369	1,152
Postage and shipping	1,788	6	306
Printing and copying expense	5,126	50	626
Marketing	2,464	8,970	189
Marketing - In-kind	168,468	-	-
Bank, credit card, and stock fees	6,001	-	-
Travel, conferences, conventions, and meetings	2,659	167	1,478
Insurance	1,245	303	872
Miscellaneous	47	-	1,465
TOTAL EXPENSES BEFORE DUES AND DEPRECIATION	355,826	30,390	93,906
Membership dues	250	-	3,168
TOTAL BEFORE DEPRECIATION	356,076	30,390	97,074
Depreciation	81	9	47
TOTAL FUNCTIONAL EXPENSES	\$ 356,157	\$ 30,399	\$ 97,121

See accompanying notes.

<u>Planning and Community Impact</u>	<u>Other Program Expenses</u>	<u>Management and General</u>	<u>Total</u>
\$ 28,937	\$ 34,401	\$ 104,654	\$ 360,851
835	1,847	7,484	19,545
4,733	7,969	14,725	60,302
<u>2,267</u>	<u>3,020</u>	<u>8,526</u>	<u>29,201</u>
36,772	47,237	135,389	469,899
7,753	1,427	14,415	39,552
77	-	1,369	9,757
328	727	1,331	5,509
5	31	1,244	3,380
256	237	2,714	9,009
-	775	26	12,424
-	-	-	168,468
-	162	148	6,311
1,163	414	3,091	8,972
244	606	965	4,235
<u>-</u>	<u>-</u>	<u>668</u>	<u>2,180</u>
46,598	51,616	161,360	739,696
-	-	22,183	25,601
<u>46,598</u>	<u>51,616</u>	<u>183,543</u>	<u>765,297</u>
43	19	75	274
<u>\$ 46,641</u>	<u>\$ 51,635</u>	<u>\$ 183,618</u>	<u>\$ 765,571</u>

UNITED WAY OF TOMPKINS COUNTY, INC.
STATEMENT OF CASH FLOWS
For the years ended June 30,

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ (184,464)	\$ (133,801)
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Depreciation expense	11,848	10,403
Realized gain on investments	(7,283)	(84,147)
Unrealized (gain) loss on investments	(12,484)	25,846
Changes in unconditional promises to give	(5,050)	62,525
Changes in prepaid expenses	520	5,148
Changes in other accounts receivable	(282)	(4,706)
Changes in accounts payable	6,411	(35,076)
Changes in agency allocations payable	51,979	(18,587)
Changes in deferred designations payable	(18,053)	(18,752)
NET CASH USED IN OPERATING ACTIVITIES	(156,858)	(191,147)
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment	(6,757)	(17,073)
Short-term investments, net	(1,756)	(1,901)
Proceeds from sale of long-term investments	346,595	732,542
Purchases of long-term investments	(214,719)	(696,738)
NET CASH PROVIDED BY INVESTING ACTIVITIES	123,363	16,830
 NET CHANGE IN CASH	(33,495)	(174,317)
 CASH, beginning of year	491,586	665,903
 CASH, end of year	\$ 458,091	\$ 491,586
 SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
CASH PAID DURING THE YEAR FOR:		
Interest	\$ -	\$ -
Taxes	-	-

See accompanying notes.

UNITED WAY OF TOMPKINS COUNTY, INC.
Notes to Financial Statements
For the years ended June 30, 2019 and 2018

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. *Organization* – The goal of the United Way of Tompkins County, Inc., (the “Organization”) is to help provide the means by which citizens, businesses, and agencies may join in a community-wide effort to help provide efficient human service programs related to the needs of the people of Tompkins County. The Organization assists in evaluating the needs of the people of the community, provides managerial and financial assistance to agencies, and evaluates the effectiveness of human service programs in the area.
2. *Basis of Accounting* – The financial statements of the Organization have been prepared on the accrual basis. Consequently, revenue is recognized when earned rather than when received, and expenditures are recorded when incurred rather than when paid.
3. *Income Taxes* – The Organization is exempt from federal taxation under Section 501(c)(3) of the Internal Revenue Code and, therefore, no income taxes are payable by the Organization. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(a)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The Organization accounts for income taxes in accordance with FASB Accounting Standards Codification (ASC) 740, *Income Taxes*. FASB ASC 740-10 clarifies the accounting for income taxes, by prescribing a minimum recognition threshold a tax position is required to meet before being recognized in the financial statements.

4. *Property and Equipment* – Property and equipment are reported at cost if purchased or fair value if donated. Depreciation expense is computed using the straight-line method over the estimated useful lives of the related assets, which range from 3 to 27.5 years. Expenditures for repairs and maintenance are charged to expense as incurred whereas major betterments are capitalized.
5. *Estimates* – Management of the Organization uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that management uses.
6. *Cash and Cash Equivalents* – For purposes of the Statements of Cash Flows, the Organization considers all highly liquid investments purchased with maturity of three months or less to be cash and cash equivalents.

7. *Financial Statement Presentation* – The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.
8. *Revenue Recognition* – Contributions received are recorded as those without donor or with donor restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

In accordance with U.S. generally accepted accounting principles, the Organization records contributions that are designated to specified organizations as a liability.

9. *Donated Property and Equipment* – The Organization reports gifts of land, buildings, and equipment as unrestricted support at their estimated fair value at the date of donation unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.
10. *Donated Services* – Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers have also provided fund raising services through the year that are not recognized as contributions in the financial statement, as the recognition criteria under generally accepted accounting principles were not met.
11. *Investments* – The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities are stated at their fair values in the Statements of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statements of Activities.
12. *Investment Income and Gain* – Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.
13. *Unconditional Promises to Give and Contributions Receivable* – All contributions are available for unrestricted use unless specifically restricted by the donor. Promises to give for contributions are recorded as received and allowances are provided for amounts estimated as uncollectible.
14. *Functional Expense Allocation* – The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities

and Changes in Net Assets and in the Statements of Functional Expenses. The expenses include salaries and wages, employee benefits, payroll taxes, professional fees and services, office supplies, marketing, and insurance. Most expenses have been allocated and reasonably estimated based on staff time.

15. *Deferred Designations Payable* – Deferred designations payable represents the amount of restricted contributions received with specific beneficiaries that have not been distributed for the years ended June 30, 2019 and 2018.

16. *Reclassifications* – Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

B. LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Organization’s financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions:

	2019	2018
Total assets	\$ 2,373,551	\$ 2,517,678
Less: other assets (prepaids)	25,676	26,196
Less: property and equipment	41,562	46,653
Financial assets	2,306,313	2,444,829
Less: those unavailable for general expenditures within one year, due to:		
Pledges receivables due to designations	271,028	310,678
Investments - restricted funds held in trust by others	136,923	134,432
Investments donor-restricted to maintain an endowment	17,149	17,149
	425,100	462,259
Financial assets available to meet cash needs for general expenditure within one year	\$ 1,881,213	\$ 1,982,570

As part of the Organization’s liquidity management, it invests cash in certificates of deposits and carries investments in marketable securities with readily determinable fair values, which it could draw upon in the event of an unanticipated liquidity need.

C. INVESTMENTS

The cost, fair value, and unrealized appreciation (depreciation) for the investments of the Organization for the years ended June 30, is as follows:

	2019		
	Cost	Fair Value	Unrealized (Depreciation) Appreciation
Short-Term Investments:			
Certificates of deposit	\$ 393,270	\$ 393,270	\$ -
Long-Term Investments:			
Equities/fixed income	\$ 607,938	\$ 660,406	\$ 52,468
Mutual funds	73,833	75,053	1,220
Total Long-Term Investments	\$ 681,771	\$ 735,459	\$ 53,688
	2018		
	Cost	Fair Value	Unrealized (Depreciation) Appreciation
Short-Term Investments:			
Certificates of deposit	\$ 391,514	\$ 391,514	\$ -
Long-Term Investments:			
Equities/fixed income	\$ 740,464	\$ 785,581	\$ 45,117
Mutual funds	66,177	64,478	(1,699)
Total Long-Term Investments	\$ 806,641	\$ 850,059	\$ 43,418

The following schedule summarizes the investment return for the years ended June 30:

	2019	2018
Interest and dividends	\$ 14,246	\$ 16,650
Realized gain	7,283	84,147
Unrealized gain (loss)	12,484	(25,846)
Totals	\$ 34,013	\$ 74,951

D. UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give for the years ended June 30, is as follows:

	2019	2018
Unconditional promises to give:		
Program year under audit	\$ 111,908	\$ 60,748
Program year subsequent to audit	507,276	553,386
Less: reserve for unconditional promises	(58,051)	(58,051)
Total unconditional promises to give	\$ 561,133	\$ 556,083

Actual amounts written off for the campaign year, two years prior to the year under audit, were \$48,719 and \$54,761, as of June 30, 2019 and 2018, respectively.

E. LAND, BUILDINGS, AND EQUIPMENT

Land, buildings, and equipment consist of the following at June 30:

	2019		
	Cost	Accumulated Depreciation	Net Book Value
Land	\$ 5,000	\$ -	\$ 5,000
Building	25,000	25,000	-
Building improvements	180,094	160,433	19,661
Equipment	112,676	95,775	16,901
Totals	<u>\$ 322,770</u>	<u>\$ 281,208</u>	<u>\$ 41,562</u>

	2018		
	Cost	Accumulated Depreciation	Net Book Value
Land	\$ 5,000	\$ -	\$ 5,000
Building	25,000	25,000	-
Building improvements	173,337	155,152	18,185
Equipment	112,676	89,208	23,468
Totals	<u>\$ 316,013</u>	<u>\$ 269,360</u>	<u>\$ 46,653</u>

Depreciation expense for the years ended June 30, 2019 and 2018 amounted to \$11,848 and \$10,403, respectively.

F. REVENUE

Total contributions of \$1,370,471 and \$1,448,825 for the years ended June 30, 2019 and 2018 include State employees federated appeal funds of \$2,042 and \$1,772, respectively. The total Campaign revenue includes amounts designated for other agencies, and these designations are not included in reported contributions.

G. DEFINED CONTRIBUTION PLAN

The Organization maintains a defined contribution plan for their employees. Each year the Organization contributes money to the Plan on behalf of eligible employees. Benefits will vest and become available upon termination.

The effective date of the Plan is February 1, 1995, and the Plan year is January 1 through December 31. The Plan administrator is the Organization. The Plan trustee is Tompkins Trust Company.

Eligibility and Participation Requirements – All employees become eligible to participate in the Plan after they have completed one year of service and have attained age 21. An employee can be hired fully vested and eligible based on service with another employer.

Vesting – Vesting refers to the point at which the employees participating in the Plan receive a benefit from the Plan. Employees participating in the Plan will become vested in the Plan based on the number of years of service in accordance with the following schedule:

1 year	20%
2 years	40%
3 years	60%
4 years	80%
5 years	100%

Break in Service – A one-year break in service is a computation period during which employees participating in the Plan have not completed more than 500 hours of service.

Contributions to the Plan – Once an employee becomes a participant in the Plan, the Organization will contribute each year on the employees’ behalf an amount equal to 6% of their total compensation.

The employer contributions to the Plan for the years ended June 30, 2019 and 2018 were \$14,340 and \$17,490, respectively.

H. CONCENTRATION OF CREDIT RISK

During the year the Organization will have bank deposits in excess of the FDIC insured limits.

I. CONTRIBUTED SERVICES

Contributed services with an estimated value of \$215,621 and \$188,751 for the years ended June 30, 2019 and 2018, were not recognized in the financial statements because they did not meet the criteria for recognition under generally accepted accounting principles.

J. ALLOCATIONS, FLEXIBLE FUND AWARDS, AND EMERGENCY GRANT

The following are amounts paid to agencies and towns, excluding direct designations, during the years ended June 30, 2019 and 2018. These allocations are from the Fall 2016-2017 and 2015-2016 campaign.

	2019	2018
AGENCY ALLOCATIONS:		
Alcohol and Drug Council of Tompkins County	\$ 15,000	\$ 22,000
Brooktondale Community Center, Inc.	3,500	15,750
Cancer Resource Center of the Finger Lakes	7,500	12,750
Catholic Charities of Tompkins/Tioga	40,000	36,000
Challenge Industries, Inc.	26,700	36,750
Child Development Council	48,500	85,000
Community Dinners at Dryden United Methodist Church	3,000	-
Community Dispute Resolution Center	11,330	22,000
Cooperative Extension Association of Tompkins County	25,000	-
Danby Community Council	3,750	5,700

	<u>2019</u>	<u>2018</u>
Downtown Ithaca Children's Center	12,250	14,500
Dryden Community Council	4,900	4,700
Enfield Community Council	9,900	16,400
Family and Children's Services of Ithaca	85,000	108,000
Family and Community Development (CCE)	5,000	-
Family Reading Partnership	10,500	-
Finger Lakes Independence Center	5,000	5,000
Food Bank of the Southern Tier	8,000	-
Foodnet Meals on Wheels	30,000	12,250
Freeville Community Council	2,500	4,000
Gadabout Transportation Services	10,000	12,750
Girl Scouts of NYPENN Pathways	-	3,500
Greater Ithaca Activities Center	84,000	65,000
GreenStar Community Projects	8,000	-
Groton Community Council	7,400	7,100
Human Services Coalition of Tompkins County	15,000	15,000
Ithaca Community Childcare Center	9,500	5,000
Ithaca Health Alliance	35,000	-
Ithaca Neighborhood Housing Services	-	17,500
Ithaca Welcomes Refugees	10,000	-
Lansing Community Council	4,500	5,000
Learning Web	45,000	47,000
Legal Assistance of Western NY	8,000	4,000
Lifelong (Tompkins County Senior Citizens' Council)	9,400	10,000
Loaves and Fishes of Tompkins County	20,000	-
McLean Community Council	4,950	5,975
Mental Health Association in Tompkins County	35,033	39,500
Newfield Community Council	10,000	11,200
Opportunities, Alternatives, and Res. (OAR)	9,000	29,875
Racker	8,000	8,000
Rescue Mission Alliance	20,000	31,377
Salvation Army	-	11,000
Southside Community Center	-	5,500
Suicide Prevention & Crisis Service	21,000	41,700
The Advocacy Center of Tompkins County	21,000	25,000
Tompkins County Office American Red Cross	5,000	-
Tompkins Learning Partners (Literacy Volunteers)	10,000	16,875
Ulysses Community Council	14,150	13,650
Varna Community Association	4,500	10,000
Women's Opportunity Center	15,000	20,000
Y.M.C.A. of Ithaca and Tompkins County	15,000	14,750
Total Allocations	<u>819,763</u>	<u>877,052</u>
Total Flexible Fund Awards	14,800	-
Total Special Grants	18,301	67,770
Total Student Engagement Grants	49,400	49,424
Total Allocations, Awards and Grants	<u>\$ 902,264</u>	<u>\$ 994,246</u>

K. NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions are classified as follows as June 30,

	<u>2019</u>	<u>2018</u>
Undesignated	\$ 127,818	\$ 295,795
Board designated:		
Reserves	162,302	162,302
Emerging Funds	10,500	10,500
Capital Maintenance/Equipment	48,752	48,752
Total net assets without donor restrictions	<u>\$ 349,372</u>	<u>\$ 517,349</u>

The Organization has two types of net assets without donor restrictions: undesignated funds and Board designated funds. The Board designated funds have been designed by the Organization's board for the specific purposes noted above.

L. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions comprised of the following at December 31:

	<u>2019</u>	<u>2018</u>
Promises to give, with donor restrictions designated for special initiatives	\$ 195,796	\$ 232,626
Promises to give, without donor restrictions available for designation for subsequent year allocations to agencies	975,712	918,210
Net assets held by the Organization or held by others that are subject to investment in perpetuity:	425,100	462,259
Total net assets with donor restrictions	<u>\$ 1,596,608</u>	<u>\$ 1,613,095</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors. The total assets released from restrictions amounted to \$1,340,731 and \$1,451,058 for the years ended June 30, 2019 and 2018, respectively.

The income from the endowments held by the Organization along with those held in trusts can be used to fund the operations of the Organization.

M. LIVERMORE BUILDING

The Livermore Building holds the administrative offices of the Organization. In addition, office space is rented to other professionals. Expenses relating to the building for the years ended June 30 are as follows:

	<u>2019</u>	<u>2018</u>
Utilities	\$ 5,858	\$ 6,134
Repairs and upkeep	15,466	12,300
Professional fees/contracted personnel	5,750	4,756
Insurance	4,964	4,590
Building supplies	106	2,667
Building reserve	1,043	2,246
Equipment contracts	156	140
Depreciation	11,848	10,129
	<u>\$ 45,191</u>	<u>\$ 42,962</u>

N. FUNDS HELD IN TRUST BY OTHERS

Funds held in trust by others represent investments associated with a trust held in perpetuity. The income from the trust is distributed annually and may be used for general operating purposes. Funds held in trust are recognized at the estimated fair value of the assets. These funds had unrealized appreciation of \$2,491 and \$2,630 for the years ended June 30, 2019 and 2018, respectively. This activity is included with the investment returns. The composition of the investments associated with the funds held in trust at fair market value at June 30 is as follows:

	<u>2019</u>	<u>2018</u>
Cash	\$ 5,070	\$ 3,532
Equities/fixed income	82,840	82,445
Mutual Funds	49,013	48,455
Total Long-Term Investments	<u>\$ 136,923</u>	<u>\$ 134,432</u>

O. FAIR VALUE MEASUREMENTS

Accounting Standards Codification (ASC) 820 established a three-tier hierarchy for fair value measurements, which prioritizes the inputs used in measuring fair value as follows:

- Level 1 – observable inputs such as quoted prices for identical instruments in active markets.
- Level 2 – inputs other than quoted prices in active markets that are observable either directly or indirectly through corroboration with observable market data.
- Level 3 – unobservable inputs in which there is little or no market data, which would require the Organization to develop its own assumptions.

As of June 30, 2019, the Organization held certain assets that were measured at fair value on a recurring basis. The fair value of investments is obtained from readily available market prices. The following table presents the Organization's financial assets measured at fair value on a recurring basis as of June 30, 2019 and 2018 subject to the disclosure requirements of ASC 820:

Fair Value Measurements as of June 30, 2019				
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
ASSETS:				
Investments	\$ 1,128,729	\$ 1,128,729	\$ -	\$ -
Funds held in trust	136,923	136,923	-	-

Fair Value Measurements as of June 30, 2018				
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
ASSETS:				
Investments	\$ 1,241,573	\$ 1,241,573	\$ -	\$ -
Funds held in trust	134,432	134,432	-	-

P. CONCENTRATIONS OF CONTRIBUTIONS

The Organization received approximately 37% and 38% of its annual campaign from donors at Cornell University for the years ended June 30, 2019 and 2018, respectively.

Q. ADOPTION OF NEW ACCOUNTING STANDARD

On August 18, 2016, the Financial Accounting Standards Board issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities, which became effective for annual financial statements issued for fiscal years beginning after December 13, 2017. Accordingly, the Organization has adjusted the presentation of its financial statements, applying the changes retrospectively to the comparative period presented. The new standards change the following aspects of the Organization's financial statements:

- The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class named net assets with donor restrictions.
- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The financial statements include new qualitative descriptions of the methods used to allocate costs among program and support functions (Note A).
- The financial statements include a new disclosure about liquidity and availability of resources (Note B).
- Investment returns are now reported net of investment expenses.

The changes have the following effect on net assets at June 30, 2018:

	As originally presented	After adoption of ASU 2016-14
Unrestricted net assets	\$ 517,349	\$ -
Temporarily restricted net assets	1,461,514	-
Permanently restricted net assets	151,581	-
Net assets without donor restrictions	-	517,349
Net assets with donor restrictions	-	1,613,095
Total net assets	<u>\$ 2,130,444</u>	<u>\$ 2,130,444</u>

R. SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 18, 2019 which is the date the financial statements were available to be issued.