

THE UNITED WAY OF
LACKAWANNA AND WAYNE COUNTIES
FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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Independent Auditor's Report

To the Board of Directors of
The United Way of Lackawanna and Wayne Counties
Scranton, Pennsylvania

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The United Way of Lackawanna and Wayne Counties (the United Way) which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the United Way as of June 30, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the United Way and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the United Way's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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To the Board of Directors of
The United Way of Lackawanna and Wayne Counties

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the United Way's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the United Way's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

To the Board of Directors of
The United Way of Lackawanna and Wayne Counties

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information in Schedules 1 to 4 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 audits 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.

McGill Muel Quina
+ Associates, P.C.

Scranton, Pennsylvania
May 10, 2023

THE UNITED WAY OF LACKAWANNA AND WAYNE COUNTIES

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2022 AND 2021

ASSETS

	<u>2022</u>	<u>2021</u>
Cash without donor restrictions	\$ 1,982,400	\$ 2,149,514
Cash with donor restrictions	1,605,505	1,223,181
Cash and cash equivalents (Note 2)	3,587,905	3,372,695
Certificates of deposit	1,785,367	1,779,438
Pledges receivable, net of allowance for uncollectible		
pledges of \$207,731 in 2022 and \$215,096 in 2021 (Note 3)	323,442	441,345
Investments (Note 5)	2,442,529	2,826,285
Fixed assets, net of accumulated		
depreciation (Note 1)	49,700	57,991
Prepaid expenses	45,910	52,408
Grant and other receivables	177,669	180,069
Beneficial interest in assets held by a		
community foundation (Note 1)	56,202	67,470
Total assets	<u>\$ 8,468,724</u>	<u>\$ 8,777,701</u>

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable	\$ 101,592	\$ 88,175
Accrued payroll and payroll taxes	30,807	25,405
Agency funds (Note 6)	160,119	166,666
Due to designated agencies	440,654	409,936
Reserve for community services	7,639	7,639
Total liabilities	<u>740,811</u>	<u>697,821</u>
Net assets		
Without donor restrictions		
Board designated (Note 7)	2,436,429	2,803,564
Undesignated	2,742,573	2,647,552
Net investment in land,		
buildings and equipment	56,043	63,470
Total net assets without donor restrictions	<u>5,235,045</u>	<u>5,514,586</u>
With donor restrictions		
Time restricted	755,714	761,226
Purpose restricted	1,737,154	1,804,068
Total net assets with donor restrictions	<u>2,492,868</u>	<u>2,565,294</u>
Total net assets	<u>7,727,913</u>	<u>8,079,880</u>
Total liabilities and net assets	<u>\$ 8,468,724</u>	<u>\$ 8,777,701</u>

The accompanying Notes are an integral part of these Financial Statements.

THE UNITED WAY OF LACKAWANNA AND WAYNE COUNTIES

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2022 AND 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support						
Campaign applicable to current period:						
Total amounts raised - current period	\$ 1,173,292	\$ -	\$ 1,173,292	\$ 904,474	\$ -	\$ 904,474
Less: Amounts designated by donors for specific organizations (Note 1)	141,075	-	141,075	152,725	-	152,725
Total contributions received - current period	1,032,217	-	1,032,217	751,749	-	751,749
Contributions received in prior periods released from restrictions (Note 9)	715,664	(715,664)	-	1,111,877	(1,111,877)	-
Gross campaign results	1,747,881	(715,664)	1,032,217	1,863,626	(1,111,877)	751,749
Campaign revenues received for next allocation period	-	739,150	739,150	-	715,664	715,664
Total campaign	1,747,881	23,486	1,771,367	1,863,626	(396,213)	1,467,413
Distributions from unrelated trusts	43,950	43,950	87,900	40,800	40,800	81,600
Grant revenue (Note 4)	349,115	363,820	712,935	614,444	281,815	896,259
State tax credit programs	-	399,495	399,495	-	530,880	530,880
Net realized and unrealized gains (losses) on investment transactions (Note 5)	(304,377)	(111,264)	(415,641)	397,322	109,716	507,038
Fees and grants	45,550	-	45,550	19,939	-	19,939
Investment income	70,218	23,834	94,052	43,345	20,411	63,756
Operational endowment income	52,135	-	52,135	48,135	-	48,135
Change in beneficial interest in assets held by community foundation (Note 1)	(11,268)	-	(11,268)	13,625	-	13,625
In-kind contributions (Note 1)	27,433	-	27,433	76,274	-	76,274
Other net assets released from restrictions (Note 9)	815,747	(815,747)	-	800,155	(800,155)	-
Total revenues, gains and other support	2,836,384	(72,426)	2,763,958	3,917,665	(212,746)	3,704,919
Expenses						
Program services	2,446,209	-	2,446,209	2,469,392	-	2,469,392
Supporting services						
Management and general	319,840	-	319,840	305,686	-	305,686
Fund raising	349,876	-	349,876	337,100	-	337,100
Total expenses	3,115,925	-	3,115,925	3,112,178	-	3,112,178
Change in net assets	(279,541)	(72,426)	(351,967)	805,487	(212,746)	592,741
Net assets, beginning of year	5,514,586	2,565,294	8,079,880	4,709,099	2,778,040	7,487,139
Net assets, end of year	<u>\$ 5,235,045</u>	<u>\$ 2,492,868</u>	<u>\$ 7,727,913</u>	<u>\$ 5,514,586</u>	<u>\$ 2,565,294</u>	<u>\$ 8,079,880</u>

The accompanying Notes are an integral part of these Financial Statements.

THE UNITED WAY OF LACKAWANNA AND WAYNE COUNTIES

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2022

	<u>PROGRAM SERVICES</u>		<u>SUPPORT SERVICES</u>		<u>Total</u>
	<u>Campaign & Community Service Programs</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	
Salaries	\$ 349,843	\$ 349,843	\$ 206,570	\$183,848	\$ 740,261
Employee benefits	97,273	97,273	57,436	51,118	205,827
Payroll taxes	26,971	26,971	15,925	14,174	57,070
Total employee compensation	474,087	474,087	279,931	249,140	1,003,158
Allocations to member agencies	1,088,344	1,088,344	-	-	1,088,344
Scholarship awards	406,306	406,306	-	-	406,306
Community assistance programs	283,265	283,265	-	-	283,265
Public relations	52,890	52,890	-	-	52,890
State and national dues	59,758	59,758	-	-	59,758
Occupancy	19,348	19,348	9,674	9,674	38,696
Insurance	5,815	5,815	2,908	2,908	11,631
Dues	740	740	348	392	1,480
Telephone and website	20,683	20,683	10,342	10,342	41,367
Equipment maintenance and lease	11,913	11,913	5,599	6,314	23,826
Non-local travel and conferences	-	-	-	-	-
Auto	236	236	111	125	472
Supplies	3,470	3,470	1,631	1,839	6,940
Postage and freight	1,819	1,819	854	964	3,637
Newspapers and publications	168	168	78	89	335
Meetings	139	139	65	74	278
Auditing	7,500	7,500	3,525	3,975	15,000
Other professional fees	3,015	3,015	1,417	1,597	6,029
Events expense	-	-	-	59,086	59,086
Total operating expenses	2,439,496	2,439,496	316,483	346,519	3,102,498
Depreciation	6,713	6,713	3,357	3,357	13,427
Total expenses	\$ 2,446,209	\$2,446,209	\$ 319,840	\$349,876	\$3,115,925

The accompanying Notes are an integral part of these Financial Statements.

THE UNITED WAY OF LACKAWANNA AND WAYNE COUNTIES

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2021

	<u>PROGRAM SERVICES</u>		<u>SUPPORT SERVICES</u>		<u>Total</u>
	<u>Campaign & Community Service Programs</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	
Salaries	\$ 328,339	\$ 328,339	\$ 200,428	\$180,924	\$ 709,691
Employee benefits	89,278	89,278	54,498	49,195	192,971
Payroll taxes	25,314	25,314	15,453	13,949	54,716
Total employee compensation	442,931	442,931	270,379	244,068	957,378
Allocations to member agencies	1,253,485	1,253,485	-	-	1,253,485
Scholarship awards	389,018	389,018	-	-	389,018
Community assistance programs	159,474	159,474	-	-	159,474
Public relations	94,915	94,915	-	-	94,915
State and national dues	57,252	57,252	-	-	57,252
Occupancy	18,969	18,969	9,484	9,484	37,937
Insurance	7,678	7,678	3,839	3,839	15,356
Dues	250	250	118	132	500
Telephone and website	13,177	13,177	6,589	6,589	26,355
Equipment maintenance and lease	11,857	11,857	5,573	6,284	23,714
Non-local travel and conferences	325	325	153	172	650
Auto	272	272	128	143	543
Supplies	2,659	2,659	1,250	1,410	5,319
Postage and freight	2,545	2,545	1,196	1,349	5,090
Newspapers and publications	216	216	101	114	431
Meetings	75	75	35	39	149
Auditing	7,250	7,250	3,408	3,842	14,500
Other professional fees	2,985	2,985	1,403	1,582	5,970
Events expense	-	-	-	56,023	56,023
Total operating expenses	2,465,333	2,465,333	303,656	335,070	3,104,059
Depreciation	4,059	4,059	2,030	2,030	8,119
Total expenses	\$ 2,469,392	\$2,469,392	\$ 305,686	\$337,100	\$3,112,178

The accompanying Notes are an integral part of these Financial Statements.

THE UNITED WAY OF LACKAWANNA AND WAYNE COUNTIES

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Operating activities		
(Decrease) increase in net assets	\$ (351,967)	\$ 592,741
Adjustments to reconcile (decrease) increase in net assets to net cash provided by operating activities:		
Depreciation	13,427	8,119
Net realized and unrealized losses (gains) on investment transactions	415,641	(507,038)
Change in beneficial interest in assets held by a community foundation	11,268	(13,625)
Decrease (increase) in operating assets:		
Pledges receivable	117,903	108,821
Prepaid expenses	6,498	(13,076)
Other receivables	2,400	(149,718)
Increase (decrease) in operating liabilities:		
Accounts payable	13,417	64,162
Accrued payroll and payroll taxes	5,402	6,181
Agency funds	(6,547)	6,912
Due to designated agencies	30,718	200,025
Net cash provided by operating activities	<u>258,160</u>	<u>303,504</u>
Investing activities		
Purchase of certificates of deposit	(5,929)	(137,343)
Purchase of fixed assets	(5,136)	(42,185)
Purchase of investments	(685,604)	(986,479)
Proceeds from sale of investments	653,719	1,145,407
Net cash used in investing activities	<u>(42,950)</u>	<u>(20,600)</u>
Financing activities		
None	<u>-</u>	<u>-</u>
Net cash provided by financing activities	<u>-</u>	<u>-</u>
Net increase in cash	215,210	282,904
Cash, cash equivalents and restricted cash, beginning	<u>3,372,695</u>	<u>3,089,791</u>
Cash, cash equivalents and restricted cash, ending	<u>\$ 3,587,905</u>	<u>\$ 3,372,695</u>

The accompanying Notes are an integral part of these Financial Statements.

NOTES TO FINANCIAL STATEMENTS

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

Nature of Operations

The United Way of Lackawanna and Wayne Counties (the United Way) is a non-profit organization providing combined fund raising and year-round services for the benefit of voluntary health and welfare agencies in greater Lackawanna and Wayne Counties and surrounding communities.

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America; the more significant of which are described below.

Use of Estimates

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

Net Assets with Donor Restrictions

Amounts received that are restricted for future periods or are restricted by the donor for specific purposes are reported as support with donor restrictions. When a donor 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 are reported in the Statements of Activities as net assets released from restriction.

If a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as without donor restrictions.

Revenue Recognition - Grants and Contracts

Grants and contracts normally provide for the recovery of direct and indirect costs, subject to an audit. The United Way recognizes revenue associated with direct and indirect costs as direct costs are incurred. The recovery of indirect costs is pursuant to an agreement, which provides for a predetermined fixed indirect cost rate.

Individual grant arrangements have been evaluated and most have been determined to be nonreciprocal, meaning the granting entity has not received a direct benefit in exchange for the resources provided. Instead, revenue is recognized like a conditional contribution, i.e., when the barrier to entitlement is overcome. The barrier to entitlement is considered overcome when expenditures associated with each grant are determined to be allowable and all other significant conditions of the grant are met. Grants that have been determined to be reciprocal fall under the scope of ASC Topic 606 and are recognized as the performance obligations are satisfied.

Note 1 - Nature of Operations and Summary of Significant Accounting Policies - (Continued)

Promises to Give/Pledges

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-free interest rate applicable to the year in which the promise is received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met.

Public Support

Annual campaigns are conducted during January 1 to December 31 each year to raise support funds for allocation to participating agencies. Allocations are granted for the fiscal period July 1 through June 30. All contributions are considered available for unrestricted use unless specifically restricted by the donor. Pledges are recorded by campaign year, and allowances are provided for amounts estimated to be uncollectible based on historical experience and other factors.

In-Kind Contributions

The United Way receives in-kind contributions of time from members of the community and volunteers related to program operations, special events, and fundraising campaigns. Donated services are recognized as contributions 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. No amounts have been recognized in the accompanying Statements of Activities because the criterion for recognition of such volunteer effort does not exist.

The United Way receives various in-kind services to promote program operations and fundraising campaigns. United Way Worldwide (UWW) maintains relationships with the National Football League (NFL), the Ad Council, and other organizations on behalf of local United Ways. UWW underwrites the cost to produce public service announcements that promote education, financial stability, and healthy living featuring individuals involved in various local United Way community volunteer activities. Local United Way's record the value of the in-kind media space received throughout the year. For the years ended June 30, 2022 and 2021, the United Way recorded \$17,733 and \$31,827, respectively, of in-kind contributions related to the national advertising campaigns. The United Way also recorded in-kind contributions for local event advertising and campaign promotional incentives in the amount of \$9,700 and \$44,447 for the years ended June 30, 2022 and 2021, respectively. Related in-kind expenses are recorded as campaign and community service programs public relations expense in the amount of \$27,433 and \$76,274, respectively, for the years ended June 30, 2022 and 2021.

Note 1 - Nature of Operations and Summary of Significant Accounting Policies - (Continued)

Fixed Assets

The United Way records fixed assets at cost and provides for depreciation on certain identifiable fixed assets using the straight-line method over the estimated useful lives of the respective assets. At June 30, 2022 and 2021, such assets were as follows:

	<u>2022</u>	<u>2021</u>
Office equipment	\$ 226,838	\$ 221,702
Leasehold improvements	<u>293,523</u>	<u>293,523</u>
	520,361	515,225
Less: Accumulated depreciation	<u>470,661</u>	<u>457,234</u>
	<u>\$ 49,700</u>	<u>\$ 57,991</u>

Depreciation expense was \$13,427 and \$8,119 for the years ended June 30, 2022 and 2021.

Long-Lived Assets

The United Way reviews the carrying value of long-lived assets for impairment whenever events or changes in circumstances indicate that carrying amounts of the assets might not be recoverable.

Endowment Funds

Various endowment funds are subject to the restrictions of gift or Board designation instruments requiring that the principal be invested and the income be used according to the terms of the instrument. The financial records of the three such trust funds are maintained by Peoples Security Bank & Trust, and PNC Bank, N.A.

Distributions from Unrelated Trusts and Endowments

The United Way is the income beneficiary of three endowment funds, the Boise Morgan Trust Fund, the Scranton Area Foundation Operational Endowment and the Thomas G. Gallagher Jr. Fund, which are neither in its possession nor under its control, and are held and administered by an outside party. Accordingly, the values of these funds are not recorded on these financial statements. Income received totaled \$140,035 and \$129,735 in 2022 and 2021, respectively.

Occupancy

Operations are conducted from office space at 615 Jefferson Avenue, Scranton, Pennsylvania. Annual occupancy expense which provides for utilities, maintenance, and other services amounted to \$38,696 and \$37,937 for the years ended June 30, 2022 and 2021, respectively.

Note 1 - Nature of Operations and Summary of Significant Accounting Policies - (Continued)

Income Tax Status

The United Way is exempt from Federal and State income taxes under Section 501(c)(3) of the Internal Revenue Code.

In accordance with the Financial Accounting Standards Board guidance on accounting for uncertainty in income taxes, management evaluated the United Way's tax positions and concluded that the United Way had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. With few exceptions, the United Way is no longer subject to income tax examinations by the U.S., state or local tax authorities for years before 2019.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the Statements of Financial Position. Investment income or loss (including realized gains and losses on investments, interest and dividends) is reported in the Statement of Activities as increases or decreases in net assets without donor restrictions unless the income is restricted by donor or law.

Beneficial Interest

The United Way has adopted the accounting statement that establishes standards for transactions in which a community foundation accepts assets from a donor and agrees to transfer those assets, the return on investment of those assets or both to another entity that is specified by the donor. It also states that a community foundation shall recognize its liability to the specified beneficiary concurrent with its recognition of cash or other financial assets received from the donor. The statement also specifically requires that if an NPO establishes a fund at a community foundation with its own funds and specifies itself as the beneficiary of that fund, the NPO must account for the transfer of such assets as an asset.

Included on the accompanying Statements of Financial Position of the United Way is a "Beneficial interest in assets held by a community foundation" in the amount of \$56,202 and \$67,470 as of June 30, 2022 and 2021, respectively.

On May 10, 1984, the United Way entered into an agreement with the Scranton Area Foundation, Inc., (Foundation) to establish a fund, to serve as a receptacle for the unrestricted gifts of cash and other property that the United Way receives from time to time, for the purpose of segregating and using fund assets to further the United Way's mission in perpetuity.

Under the terms of the agreement, the United Way will receive distributions from an unrestricted endowment fund at the Foundation, as follows:

The net income of the Fund shall be paid to the United Way for its unrestricted use, as long as the United Way maintains its tax-exempt status under Internal Revenue Code Section 501(c)(3) and its non-private foundation status under Section 509(a) of the Code.

Note 1 - Nature of Operations and Summary of Significant Accounting Policies - (Continued)

Beneficial Interest - (Continued)

The agreement also provides that The United Way Fund shall be subject to the provisions of the Indenture of the Foundation dated July 17, 1970, which sets forth the purposes and powers of the Foundation, including those provisions of the Indenture which at some time require variants from The United Way Fund's restrictions. The Foundation may substitute another beneficiary in the place of the United Way, if the United Way ceases to exist, or if the governing Board of the Foundation votes that support of the United Way is no longer necessary or is inconsistent with the needs of the community.

Designated Contributions

Campaign contributions received that are designated to specific organizations have been excluded from campaign revenue and funds allocated. Such contributions and corresponding allocations amounted to \$141,075 and \$152,725 for the years ending June 30, 2022 and 2021, respectively.

Advertising Costs

Advertising costs are expensed as incurred.

Cash Flows

For the purposes of the Statements of Cash Flows, the United Way considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents include donor restricted cash and cash equivalents.

Reclassification

Certain prior year amounts have been reclassified to conform to the current year presentation.

Cost Allocations

The financial statements report certain expense categories that are attributable to more than one function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, including general insurance, depreciation, occupancy and utilities are allocated to a functional region based on square-footage. Salaries and wages, employee benefits, and payroll taxes are allocated to a functional region based on estimated time and effort. All other non-direct expenses are charged to each function based on management's judgment of the proper allocation.

Note 1 - Nature of Operations and Summary of Significant Accounting Policies - (Continued)

Liquidity

The United Way regularly monitors liquidity required to meet its annual operating needs and other contractual commitments. As of June 30, 2022, the following financial assets are available to meet annual operating needs for the year ended June 30, 2023:

Financial assets at year-end:	
Cash without donor restrictions	\$ 1,982,400
Pledges receivable, net	323,442
Certificates of deposit	1,785,367
Grant and other receivables	177,669
Investments	<u>2,442,529</u>
	6,711,407
Less amounts not available to be used within one year:	
Agency funds	160,119
Due to designated agencies	440,654
Investments with donor restrictions	563,921
Board designated net assets	<u>2,436,429</u>
Financial assets available to meet general expenditures within one year	<u>\$ 3,110,284</u>

The United Way has various sources of liquidity at its disposal including cash, various receivables, and investments.

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in *Topic 840, Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard was effective for fiscal years beginning after December 15, 2020. In June 2020, the FASB issued ASU 2020-05 which defers the effective date of ASU 2016-02 one year making it effective for annual reporting periods beginning after December 15, 2021. The United Way is assessing the impact this standard will have on its financial statements.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires a not-for-profit entity to present contributed nonfinancial assets in the statement of activities as a line item that is separate from contributions of cash or other financial assets. ASU 2020-07 also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. This guidance is effective for fiscal years beginning after June 15, 2021, and for interim periods within annual periods beginning after June 15, 2022. The adoption of ASU 2020-07 did not have a material impact on the United Way's financial statements.

Note 1 - Nature of Operations and Summary of Significant Accounting Policies - (Continued)

Subsequent Events

The United Way has evaluated subsequent events through May 10, 2023, the date on which the financial statements were available to be issued. See Note 14 for a discussion of subsequent events noted.

Note 2 - Cash and Cash Equivalents

The following table provides a reconciliation of cash without donor restrictions and cash with donor restrictions reported within the Statement of Financial Position that amount to the totals shown in the Statement of Cash Flows.

	<u>2022</u>	<u>2021</u>
<u>Without Donor Restrictions</u>		
PNC Bank, N.A. Checking	\$ 1,090,966	\$ 1,258,747
PNC Bank, N.A. Trust Fund	10,563	26,480
Peoples Security Bank & Trust Trust Fund	28,204	12,632
NBT Bank Money Market	50,113	50,050
Fidelity Deposit and Discount Bank Money Market	255,699	255,628
Citizens Bank Checking	500	500
Citizens Bank Money Market	283,495	283,437
Citizens Savings Bank Money Market	262,760	261,940
Petty cash	100	100
	<u>1,982,400</u>	<u>2,149,514</u>
 <u>With Donor Restrictions</u>		
PNC Bank, N.A. Checking	1,584,134	1,114,772
PNC Bank, N.A., Agency Trust Fund	21,371	108,409
	<u>1,605,505</u>	<u>1,223,181</u>
 Total cash and cash equivalents	 <u>\$ 3,587,905</u>	 <u>\$ 3,372,695</u>

Cash with donor restrictions consists of the cash held to meet the requirements of net assets with donor restrictions.

Note 3 - Pledges Receivable

Pledges receivable are due within one year. Included in "Pledges Receivable" are the following unconditional promises to give at June 30:

<u>Campaign</u>	2022	2021
2022	\$ 1,885	\$ -
2021	529,288	2,365
2020	-	654,076
Gross unconditional pledges	531,173	656,441
Less: Allowance for uncollectible pledges	207,731	215,096
Total pledges receivable	<u>\$ 323,442</u>	<u>\$ 441,345</u>

Note 4 - Grant Revenue

Grant revenue for the years ended June 30, 2022 and 2021 were as follows:

	2022	2021
<u>Without Donor Restrictions</u>		
VITA	\$ 60,050	\$ 60,050
PA MEDI	42,031	69,144
RSVP	151,695	97,339
COVID funding	88,747	331,973
All other undesignated grant revenues	6,592	55,938
Total without donor restrictions	<u>349,115</u>	<u>614,444</u>
<u>With Donor Restrictions</u>		
Success by 6 / Early Education Programs	7,000	67,405
Gift of Warmth – Lackawanna & Wayne	109,775	120,100
Day of Caring	14,000	-
Community Impact	20,000	-
Penn State Nutrition Program	3,475	1,810
Reducing Senior Isolation	158,890	-
Dolly Parton Imagination Library	45,500	-
ROAM – Lackawanna & Wayne	-	64,000
Future technology	-	13,500
All other restricted grant revenues	5,180	15,000
Total with donor restrictions	<u>363,820</u>	<u>281,815</u>
Total grant revenue	<u>\$ 712,935</u>	<u>\$ 896,259</u>

Note 5 - Investments

The Emergency Reserve Trust Fund and Memorial Trust Fund are designated by the Board of Directors to provide an annual income to the Current Operating Fund for use in allocations.

The U.C.C. Agencies Trust Fund is restricted by the donor in that 6% of the fair market value of the assets of the Trust may only be distributed to former members of The United Community Chest, a predecessor organization. The Board of Directors has interpreted this to allow granting funds for both operational and extraordinary costs of the United Way.

At June 30, 2022 and 2021, investments were stated at fair value and consisted of the following:

	<u>2022</u>		<u>2021</u>	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
<u>Without Donor Restrictions</u>				
Board Designated Endowment Funds				
Government agencies	\$ -	\$ -	\$ 25,434	\$ 25,000
Corporate bonds	36,900	36,770	38,082	36,770
Common stock	476,592	282,340	503,849	253,810
Mutual funds	1,365,116	1,444,708	1,678,033	1,460,668
<u>With Donor Restrictions</u>				
Donor Restricted Endowment Fund				
Common stock	145,758	118,186	167,458	115,809
Mutual funds	418,163	477,112	413,429	359,266
Total investments	<u>\$ 2,442,529</u>	<u>\$ 2,359,116</u>	<u>\$ 2,826,285</u>	<u>\$ 2,251,323</u>

The investments are held in trust as of June 30, 2022 and 2021 as follows:

	<u>2022</u>	<u>2021</u>
Peoples Security Bank & Trust Company	\$ 305,539	\$ 353,943
PNC Bank, N.A.	<u>2,136,990</u>	<u>2,472,342</u>
Total investments	<u>\$ 2,442,529</u>	<u>\$ 2,826,285</u>

Net realized and unrealized gains (losses) for the years ended June 30, 2022 and 2021 are summarized as follows:

	<u>2022</u>	<u>2021</u>
Without donor restrictions		
Net realized gains	\$ 49,983	\$ 141,067
Net unrealized (losses) gains	<u>(354,360)</u>	<u>256,255</u>
	<u>(304,377)</u>	<u>397,322</u>
With donor restrictions		
Net realized gains	25,925	48,795
Net unrealized (losses) gains	<u>(137,189)</u>	<u>60,921</u>
	<u>(111,264)</u>	<u>109,716</u>
Total	<u>\$ (415,641)</u>	<u>\$ 507,038</u>

Note 6 - Agency Funds

Agency funds represent contributions received by the United Way from various donors who designated such funds to be passed through to other organizations. The United Way does not have unilateral discretion over the use of these funds.

Note 7 - Net Assets Without Donor Restrictions - Board Designated

Board designated net assets at June 30, 2022 and 2021, consisted of the following:

	<u>2022</u>	<u>2021</u>
Emergency Reserve Trust Fund is designated by the Board of Directors to provide an annual income to the United Way for use in allocations	\$ 333,743	\$ 366,575
Memorial Trust Fund is designed by the Board of Directors to provide an annual income to the United Way for use in allocations	1,583,632	1,917,935
Joe Mahon Fund is designated by the Board of Directors to provide an annual award to a special volunteer	1,199	1,199
Donor funds to be allocated as needed by the Board of Directors	<u>517,855</u>	<u>517,855</u>
Total Board designated net assets	<u>\$ 2,436,429</u>	<u>\$ 2,803,564</u>

Note 8 - Net Assets With Donor Restrictions

Net assets with donor restrictions were available as of June 30, 2022 and 2021, for the following purposes:

	<u>2022</u>	<u>2021</u>
<u>Time restrictions:</u>		
Net campaign pledges received for future periods	<u>\$ 755,714</u>	<u>\$ 761,226</u>
<u>Purpose restrictions:</u>		
U.C.C. Agencies Trust Fund is restricted to use by former members of The United Community Chest, a predecessor organization	585,292	689,296
Tax credit program revenues restricted for next year program spending	544,378	656,865
Program grant revenues restricted for specified purposes	<u>607,484</u>	<u>457,907</u>
Total purpose restrictions	<u>1,737,154</u>	<u>1,804,068</u>
Total net assets with donor restrictions	<u>\$ 2,492,868</u>	<u>\$ 2,565,294</u>

Note 9 - Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by the donors as follows for the years ended June 30, 2022 and 2021.

	<u>2022</u>	<u>2021</u>
Time restrictions - 2021/2020 and 2020/2019 Campaigns	<u>\$ 715,664</u>	<u>\$ 1,111,877</u>
Purpose restrictions		
Trust fund income available for use in allocations	89,522	126,558
Funds used to satisfy program grant purpose restrictions	214,243	180,312
Funds used for State tax credit programs	<u>511,982</u>	<u>493,285</u>
Total purpose restrictions	<u>815,747</u>	<u>800,155</u>
Total released from restrictions	<u>\$ 1,531,411</u>	<u>\$ 1,912,032</u>

Note 10 - Pension Plan

The United Way adopted a money purchase pension plan effective January 1, 1996. The plan covers all employees over 21 years of age and having at least one year of service. The employer contribution on behalf of a participant was 8% of the participant's compensation for the years ending 2022 and 2021. For the years ended 2022 and 2021, pension expense was \$55,398 and \$48,946, respectively.

Note 11 - Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the United Way uses various methods including market, income and cost approaches. Based on these approaches, the United Way often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The United Way utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the United Way is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level I: Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.
- Level II: Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Note 11 - Fair Value Measurement - (Continued)

Level III: Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level III valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets and liabilities.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Mutual funds, Common Stock, Corporate Bonds and U.S. Government and Agencies obligations: Valued at the closing price reported on the active market on which the individual securities are traded.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the United Way believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 11 - Fair Value Measurement - (Continued)

The following table sets forth by level, within the fair value hierarchy, the assets at fair value as of June 30, 2022 and 2021.

Assets Measured at Fair Value On a Recurring Basis:	June 30, 2022			
	Level I	Level II	Level III	Total
Corporate Bonds				
A1 Rating	\$ 36,900	-	-	\$ 36,900
Total Corporate Bonds	<u>36,900</u>	<u>-</u>	<u>-</u>	<u>36,900</u>
Mutual Funds				
Bond Funds	761,644	-	-	761,644
Equity Funds	<u>1,021,635</u>	<u>-</u>	<u>-</u>	<u>1,021,635</u>
Total Mutual Funds	<u>1,783,279</u>	<u>-</u>	<u>-</u>	<u>1,783,279</u>
Common Stock				
Industrials	53,163	-	-	53,163
Consumer Discretionary	38,621	-	-	38,621
Consumer Staples	62,127	-	-	62,127
Energy	56,289	-	-	56,289
Financial	97,621	-	-	97,621
Materials	15,006	-	-	15,006
Real Estate	16,701	-	-	16,701
Information Technology	110,027	-	-	110,027
Utilities	29,031	-	-	29,031
Health Care	104,357	-	-	104,357
Telecommunication Services	<u>39,407</u>	<u>-</u>	<u>-</u>	<u>39,407</u>
Total Common Stock	<u>622,350</u>	<u>-</u>	<u>-</u>	<u>622,350</u>
	<u>\$ 2,442,529</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,442,529</u>

Note 11 - Fair Value Measurement - (Continued)

	June 30, 2021			
Assets Measured at Fair Value	Level I	Level II	Level III	Total
On a Recurring Basis:				
U.S. Obligations	\$ 25,434	\$ -	\$ -	\$ 25,434
Corporate Bonds				
A1 Rating	38,082	-	-	38,082
Total Corporate Bonds	38,082	-	-	38,082
Mutual Funds				
Bond Funds	789,468	-	-	789,468
Equity Funds	1,219,973	-	-	1,219,973
Other Funds	82,021	-	-	82,021
Total Mutual Funds	2,091,462	-	-	2,091,462
Common Stock				
Industrials	70,042	-	-	70,042
Consumer Discretionary	29,471	-	-	29,471
Consumer Staples	77,997	-	-	77,997
Energy	37,752	-	-	37,752
Financial	128,663	-	-	128,663
Materials	18,224	-	-	18,224
Real Estate	15,930	-	-	15,930
Information Technology	123,589	-	-	123,589
Utilities	24,304	-	-	24,304
Health Care	98,874	-	-	98,874
Telecommunication Services	46,461	-	-	46,461
Total Common Stock	671,307	-	-	671,307
	<u>\$ 2,826,285</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,826,285</u>

Note 12 - Endowments

The United Way's endowment funds consist of three individual trust funds; one fund is donor restricted for agency payments, and the other two are board-designated funds established for various purposes. As required by accounting principles generally accepted in the United States, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on existence or absence of donor-imposed restrictions.

Endowment Net Asset Composition by type of fund as of June 30, 2022 and 2021 is as follows:

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 585,292	\$ 585,292
Board-designated endowment funds	1,917,375	-	1,917,375
Total	<u>\$ 1,917,375</u>	<u>\$ 585,292</u>	<u>\$ 2,502,667</u>

Note 12 - Endowments - (Continued)

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 689,296	\$ 689,296
Board-designated endowment funds	2,284,510	-	2,284,510
Total	<u>\$ 2,284,510</u>	<u>\$ 689,296</u>	<u>\$ 2,973,806</u>

Changes in Endowment Net Assets for the years ended June 30, 2022 and 2021 are as follows:

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of Year	\$ 2,284,510	\$ 689,296	\$ 2,973,806
Investment return:			
Investment income	65,390	19,006	84,396
Net realized and unrealized losses	<u>(304,377)</u>	<u>(111,264)</u>	<u>(415,641)</u>
Total investment return	(238,987)	(92,258)	(331,245)
Contributions	-	-	-
Appropriation of endowment assets for Expenditure	<u>(128,148)</u>	<u>(11,746)</u>	<u>(139,894)</u>
Endowment net assets, end of year	<u>\$ 1,917,375</u>	<u>\$ 585,292</u>	<u>\$ 2,502,667</u>

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of Year	\$ 1,982,584	\$ 608,839	\$ 2,591,423
Investment return:			
Investment income	32,030	9,096	41,126
Net realized and unrealized losses	<u>397,322</u>	<u>109,716</u>	<u>507,038</u>
Total investment return	429,352	118,812	548,164
Contributions	-	-	-
Appropriation of endowment assets for Expenditure	<u>(127,426)</u>	<u>(38,355)</u>	<u>(165,781)</u>
Endowment net assets, end of year	<u>\$ 2,284,510</u>	<u>\$ 689,296</u>	<u>\$ 2,973,806</u>

The United Way has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds and board-designated funds.

Note 12 - Endowments - (Continued)

The donor-restricted endowment assets are invested by the Trustee (PNC Bank, N.A.) in a manner that is intended to produce growth and income. The United Way expects the donor-restricted endowment fund, over time, to provide a rate of return commensurate with the portfolio risk. Actual returns in any given year may vary from this amount. To satisfy its long-term rate-of-return objectives, the United Way relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The United Way targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints. For the donor-restricted funds, distributions each year are set at 6 percent of the average fair value of the fund assets of the three prior years. This is consistent with the United Way's objective to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through investment return.

As approved by the Board of Directors, the board-designated endowment assets are invested in a manner that is intended to produce growth and income while assuming a balanced level of investment risk. The United Way expects its board-designated endowment funds, over time, to provide a total return commensurate with the portfolio's risk, client constraints, governing instruments, and funding policy. Actual returns in any given year may vary from this amount. To satisfy its long-term rate-of-return objectives, the United Way relies on an active asset allocation strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The United Way targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints. The United Way has a policy of appropriating for distribution each year 6 percent of its endowment funds' average fair value. In establishing this policy, the United Way considered the long-term expected return on its endowment. Accordingly, over the long term, the United Way expects the current spending policy to allow its endowment to grow at an average rate. This is consistent with the United Way's objective to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through investment return.

Note 13 - Risks and Uncertainties

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the United Way operates. It is unknown how long these conditions will last and what the complete financial effect will be to the United Way. It is reasonably possible that estimates made in the financial statements have been or will be materially and adversely impacted in the near term as a result of these conditions.

Note 14 - Subsequent Events

In October 2021, a merger request was submitted to the Pennsylvania Attorney General for approval of the merger between the United Way of Pike County and the United Way of Lackawanna and Wayne Counties. The merger is pending state approval. The Boards of both the United Way of Lackawanna and Wayne Counties and the United Way of Pike County have approved motions to move forward with the merger while awaiting final state approvals. The United Way of Pike County has approximately \$100,000 of net assets and \$30,000 of annual campaign revenues.

In November, 2022, the United Way filed amended quarterly payroll tax returns for the period from July 1, 2020 to September 30, 2021 to claim Employee Retention Tax Credits in the amount of \$231,652. Claims filed for the credits are subject to review and approval by regulatory agencies.

SUPPLEMENTARY INFORMATION

APPROPRIATIONS - AGENCIES/RESERVES

	Recommended Allocations	
	2022/2023	2021/2022
Regular appropriations - Lackawanna County		
American Red Cross of Lackawanna County	\$ 30,000	\$ 35,000
The Arc of Northeastern Pennsylvania	44,000	60,000
Boys' and Girls' Club of Scranton	65,000	70,000
Catholic Social Services, Inc.	65,000	70,000
Commission on Economic Opportunity	30,000	-
Day Nursery Association	45,000	49,100
Jewish Community Center	40,200	30,000
Jewish Family Service of Lackawanna County	59,200	75,000
Meals on Wheels	45,000	35,000
Neighborworks of NEPA	70,000	-
Northeastern Pennsylvania Council, Boy Scouts of America	-	7,500
Outreach Center for Community Resources	25,000	-
Lackawanna Blind Association	34,500	32,500
Scranton Primary Health Care Center	77,000	65,000
Serving Seniors, Inc.	5,000	10,000
St. Joseph's Center	91,000	76,100
United Cerebral Palsy	81,000	47,500
United Neighborhood Centers of Northeastern Pennsylvania	195,700	217,000
Visiting Nurse Association Hospice and Home Health	5,000	-
Women's Resource Center	94,000	120,000
Y.M.C.A. - Carbondale	-	30,500
Y.M.C.A. - Scranton	43,824	80,000
	<u>1,145,424</u>	<u>1,110,200</u>
Program Grant Recipients - Wayne County	56,874	46,500
Other applications of funds		
Reserve for Community Services	50,000	50,000
Reserve for replacement of fixed assets	6,000	6,000
Administration, Campaign and Allocations Fund - cost reimbursement	740,000	710,249
Dues	62,948	72,000
Total appropriations	<u>\$ 2,061,246</u>	<u>\$ 1,994,949</u>
Funding		
Time restricted net assets - next allocation period	\$ 755,714	\$ 761,226
Amount to be funded by Campaign 2022/Campaign 2021	1,305,532	1,233,723
Total funding	<u>\$ 2,061,246</u>	<u>\$ 1,994,949</u>

The accompanying Notes are an integral part of these Financial Statements.

EMERGENCY RESERVE TRUST FUND

PEOPLES SECURITY BANK AND TRUST COMPANY

YEAR ENDED JUNE 30, 2022

	<u>Cash</u>	<u>Investments Fair Value</u>
Balance, beginning	<u>\$ 12,632</u>	<u>\$ 353,943</u>
Increases		
Investment income, net	5,930	-
Purchase of securities	-	19,992
Proceeds from sale or redemption of securities (net realized gain of \$12,006)	50,196	-
Unrealized gain/loss on securities	-	(30,206)
	<u>56,126</u>	<u>(10,214)</u>
Decreases		
Distribution to the Operating Fund	20,562	-
Purchase of securities	19,992	-
Book value of securities sold or redeemed	-	38,190
	<u>40,554</u>	<u>38,190</u>
Net increase (decrease) for the year	<u>15,572</u>	<u>(48,404)</u>
Balance, ending	<u>\$ 28,204</u>	<u>\$ 305,539</u>
Cost of investments		<u>\$ 162,691</u>

The accompanying Notes are an integral part of these Financial Statements.

MEMORIAL TRUST FUND

PNC BANK, N.A.

YEAR ENDED JUNE 30, 2022

	<u>Cash</u>	<u>Investments Fair Value</u>
Balance, beginning	<u>\$ 26,480</u>	<u>\$ 1,891,455</u>
Increases		
Investment income, net	59,460	-
Purchase of securities	-	343,883
Proceeds from sale or redemption of securities (net realized gain of \$37,977)	376,092	-
Unrealized gain/loss on securities	-	(324,154)
	<u>435,552</u>	<u>19,729</u>
Decreases		
Distribution to the Operating Fund	107,586	-
Purchase of securities	343,883	-
Book value of securities sold or redeemed	-	338,115
	<u>451,469</u>	<u>338,115</u>
Net decrease for the year	<u>(15,917)</u>	<u>(318,386)</u>
Balance, ending	<u>\$ 10,563</u>	<u>\$ 1,573,069</u>
Cost of investments		<u>\$ 1,601,128</u>

The accompanying Note are an integral part of these Financial Statements.

U.C.C. AGENCIES TRUST FUND

PNC BANK, N.A.

YEAR ENDED JUNE 30, 2022

	<u>Cash</u>	<u>Investments Fair Value</u>
Balance, beginning	<u>\$ 108,409</u>	<u>\$ 580,887</u>
Increases		
Investment income, net	19,006	-
Purchase of securities	-	321,729
Proceeds from sale or redemption of securities (net realized gain of \$25,925)	227,431	-
Unrealized gain/loss on securities	-	(137,189)
	<u>246,437</u>	<u>184,540</u>
Decreases		
Distributions to the Operating Fund	11,746	-
Purchase of securities	321,729	-
Book value of securities sold or redeemed	-	201,506
	<u>333,475</u>	<u>201,506</u>
Net decrease for the year	<u>(87,038)</u>	<u>(16,966)</u>
Balance, ending	<u><u>\$ 21,371</u></u>	<u><u>\$ 563,921</u></u>
Cost of investments		<u><u>\$ 595,298</u></u>

The accompanying Notes are an integral part of these Financial Statements.