UNITED WAY OF GREATER ROCHESTER, INC.
AND AFFILIATES

Consolidated Financial Statements
as of March 31, 2021
Together with
Independent Auditor's Report

Bonadio & Co., LLP
Certified Public Accountants

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

July 30, 2021

To the Boards of Directors of
United Way of Greater Rochester, Inc. and Affiliates:

We have audited the accompanying consolidated financial statements of United Way of Greater Rochester, Inc. (a New York not-for-profit corporation) and Affiliates (collectively, the Organizations), which comprise the consolidated balance sheet as of March 31, 2021, and the related consolidated statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organizations as of March 31, 2021, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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(Continued)

INDEPENDENT AUDITOR'S REPORT
(Continued)

Report on Summarized Comparative Information
We have previously audited the Organizations' 2020 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated July 31, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2020 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Report on Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The 2021 supplementary information presented on pages 1, 2 and 4 is presented for purposes of additional analysis of the consolidated financial statements, rather than to present the financial position, result of operations and cash flows of the individual companies, and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Bonadio & Co., LLP

UNITED WAY OF GREATER ROCHESTER, INC. AND AFFILIATES

CONSOLIDATED BALANCE SHEETS
MARCH 31, 2021
(With Comparative Totals for 2020)

	Supplementary Information					
	United Way of Greater Rochester, Inc.	UWGR Holding Company, Inc.	Supporting Foundations	Eliminations	2021 Consolidated	2020 Consolidated
ASSETS						
Cash and cash equivalents	$ 12,079,499	$ 224,659	$ 50,135,895	$ -	$ 62,440,053	$ 6,879,728
Pledges receivable, net	4,139,507	-	-	-	4,139,507	6,103,062
Grants receivable	1,995,695	-	-	-	1,995,695	1,387,836
Rent receivable - affiliate	-	99,945	-	(99,945)	-	-
Bequests receivable	202,128	-	-	-	202,128	73,304
Investments	169,774,224	-	-	-	169,774,224	110,584,476
Property and equipment, net	80,424	1,605,293	-	-	1,685,717	1,829,334
Beneficial interest in split-interest agreements	4,790,000	-	-	-	4,790,000	3,637,071
Other assets	3,663,869	21,436	-	-	3,685,305	202,427
	$ 196,725,346	$ 1,951,333	$ 50,135,895	$ (99,945)	$ 248,712,629	$ 130,697,238
LIABILITIES AND NET ASSETS						
LIABILITIES:						
Accounts payable and accrued expenses	$ 1,132,415	$ 19,579	$ -	$ -	$ 1,151,994	$ 1,201,492
Due to agencies	5,163,299	-	-	-	5,163,299	3,723,479
Deferred revenue	808,870				808,870	1,891,016
Rent payable - affiliate	99,945	-	-	(99,945)	-	-
Charitable gift annuity reserve	152,588	-	-	-	152,588	205,732
Pension and postretirement plan liability	3,127,993	-	-	-	3,127,993	6,497,842
Total liabilities	10,485,110	19,579	-	(99,945)	10,404,744	13,519,561
NET ASSETS:						
Without donor restrictions						
Undesignated	32,607,402	1,609,294	50,135,895	-	84,352,591	5,637,576
Board designated	4,219,514	322,460	-	-	4,541,974	3,588,168
Quasi-endowment	65,756,638	-	-	-	65,756,638	46,656,562
Without donor restrictions	102,583,554	1,931,754	50,135,895	-	154,651,203	55,882,306
With donor restrictions	83,656,682	-	-	-	83,656,682	61,295,371
Total net assets	186,240,236	1,931,754	50,135,895	-	238,307,885	117,177,677
	$ 196,725,346	$ 1,951,333	$ 50,135,895	$ (99,945)	$ 248,712,629	$ 130,697,238

The accompanying notes are an integral part of these statements.

UNITED WAY OF GREATER ROCHESTER, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2021
(With Comparative Totals for 2020)

	Supplementary Information				Consolidated			
	United Way of Greater Rochester, Inc.	UWGR Holding Company, Inc.	Supporting Foundations	Eliminations	Without donor restrictions	With donor restrictions	2021	2020
REVENUE AND OTHER SUPPORT:								
Annual campaign	$ 12,140,963	$ -	$ -	$ -	$ 12,140,963	$ 4,922,036	$ 17,062,999	$ 20,831,530
Less: Received as agent for other United Ways	(234,310)	-	-	-	(234,310)	-	(234,310)	(809,835)
Less: Allowance for uncollectible pledges	(523,059)	-	-	-	(523,059)	(787)	(523,846)	(946,352)
Annual campaign, net	11,383,594	-	-	-	11,383,594	4,921,249	16,304,843	19,075,343
Investment income used in operations in accordance with the United Way's total return spending policy	4,948,798	-	-	-	4,948,798	-	4,948,798	4,987,731
Donor advised fund gifts received	2,283,668	-	-	-	2,283,668	-	2,283,668	1,608,254
Donated goods and services	701,729	211,810	-	(211,156)	702,383	-	702,383	130,423
Community Crisis Fund revenue	-	-	-	-	-	6,196,197	6,196,197	560,405
ROC the Day revenue, net	-	-	-	-	-	835,548	835,548	513,126
Endowment legacies and other gifts received, net	20,171,029	-	-	-	20,171,029	79,032	20,250,061	403,894
Government and other grant revenue	1,054,322	-	-	-	1,054,322	10,998,107	12,052,429	7,793,282
Foundation allocations	-		50,048,105		50,048,105		50,048,105	1,000,734
Other	855,608	296,321	-	(204,513)	947,416	62,215	1,009,631	623,508
	41,398,748	508,131	50,048,105	(415,669)	91,539,315	23,092,348	114,631,663	36,696,700
Net assets released from restrictions -								
Satisfaction of program restrictions	18,501,765	-	-	-	18,501,765	(18,501,765)	-	-
Appropriation of endowment assets for expenditure	2,396,341	-	-	-	2,396,341	(2,396,341)	-	-
Expiration of time restrictions	5,352,060	-	-	-	5,352,060	(5,352,060)	-	-
	26,250,166	-	-	-	26,250,166	(26,250,166)	-	-
Total revenue and other support	67,648,914	508,131	50,048,105	(415,669)	117,789,481	(3,157,818)	114,631,663	36,696,700
EXPENSES:								
Program services -								
Allocations	32,139,591	-	-	-	32,139,591	-	32,139,591	27,901,156
Foundation allocations	-	-	-	-	-	-	-	1,000,000
Community investment and services	3,803,298	193,644	3,828	(174,260)	3,826,510	-	3,826,510	3,167,604
Grants	2,595,146	-	-	-	2,595,146	-	2,595,146	1,818,154
Total program services	38,538,035	193,644	3,828	(174,260)	38,561,247	-	38,561,247	33,886,914
Supporting services -								
Resource development	3,242,690	168,454	-	(121,896)	3,289,248	-	3,289,248	3,436,846
General management	2,110,286	163,731	-	(119,513)	2,154,504	-	2,154,504	2,075,931
Total supporting services	5,352,976	332,185	-	(241,409)	5,443,752	-	5,443,752	5,512,777
Total expenses	43,891,011	525,829	3,828	(415,669)	44,004,999	-	44,004,999	39,399,691
EXCESS (DEFICIENCY) OF REVENUE, GAINS AND OTHER SUPPORT OVER EXPENSES	23,757,903	(17,698)	50,044,277	-	73,784,482	(3,157,818)	70,626,664	(2,702,991)
OTHER ITEMS:								
Investment income (loss), net	26,336,615	-	-	-	26,336,615	25,519,129	51,855,744	(12,937,423)
Investment income used in operations in accordance with the United Way's total return spending policy	(4,948,798)	-		-	(4,948,798)	-	(4,948,798)	(4,987,731)
Change in funded status of pension and postretirement plans	4,069,983	-	-	-	4,069,983	-	4,069,983	(1,447,534)
Net periodic pension costs from employee benefits	(473,385)	-	-	-	(473,385)	-	(473,385)	(79,141)
CHANGE IN NET ASSETS	48,742,318	(17,698)	50,044,277	-	98,768,897	22,361,311	121,130,208	(22,154,820)
NET ASSETS - beginning of year	53,841,236	1,949,452	91,618	-	55,882,306	61,295,371	117,177,677	139,332,497
NET ASSETS - end of year	$ 102,583,554	$ 1,931,754	$ 50,135,895	$ -	$ 154,651,203	$ 83,656,682	$ 238,307,885	117,177,677.00

The accompanying notes are an integral part of these statements.

UNITED WAY OF GREATER ROCHESTER, INC. AND AFFILIATES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2021
(With Comparative Totals for 2020)

	2021								
	Program Services				Supporting Services				
	Allocations	Community Investment and Services	Grants	Total	Resource Development	General Management	Total	Total	2020 Total
SALARIES AND RELATED EXPENSES:									
Salaries	$ -	$ 1,693,196	$ 1,274,306	$ 2,967,502	$ 1,568,387	$ 1,134,469	$ 2,702,856	$ 5,670,358	$ 5,303,222
Employee health, retirement, pension and postretirement expenses	-	584,998	200,717	785,715	547,192	390,855	938,047	1,723,762	1,551,529
Payroll taxes	-	118,526	94,276	212,802	116,213	76,937	193,150	405,952	377,695
Total salaries and related expenses	-	2,396,720	1,569,299	3,966,019	2,231,792	1,602,261	3,834,053	7,800,072	7,232,446
OTHER EXPENSES:									
Allocations	17,581,660	-	-	17,581,660	-	-	-	17,581,660	19,906,405
Less: Granted as agent to other United Ways	(234,310)	-	-	(234,310)	-	-	-	(234,310)	(809,835)
	17,347,350	-	-	17,347,350	-	-	-	17,347,350	19,096,570
Donor advised fund grants	3,836,921	-	-	3,836,921	-	-	-	3,836,921	2,566,177
Community initiative allocation		-	10,131,977	10,131,977	-	-	-	10,131,977	5,728,910
ROC the Day allocations	823,343	-	-	823,343	-	-	-	823,343	509,499
Foundation allocations	-	-	-	-	-	-	-	-	1,000,000
Donated Crisis Supplies	-	608,733	-	608,733	-	-	-	608,733	-
Purchase of services (including $72,000 and $96,300 of donated services in 2021 and 2020, respectively)	-	184,089	603,641	787,730	480,801	60,562	541,363	1,329,093	1,071,458
Organization meetings and conferences (including $0 and $16,959 of donated organization meetings and conferences expense in 2021 and 2020, respectively)	-	18,543	10,418	28,961	24,470	19,974	44,444	73,405	376,668
United Way Worldwide dues	-	136,846	-	136,846	138,900	97,068	235,968	372,814	277,199
Information technology	-	105,239	14,180	119,419	99,447	55,411	154,858	274,277	196,964
Printing, binding, and advertising	-	13,711	5,022	18,733	44,784	1,147	45,931	64,664	251,178
Rent and occupancy	-	34,103	-	34,103	37,425	20,185	57,610	91,713	105,015
Communication services	-	31,813	3,807	35,620	34,044	21,490	55,534	91,154	99,610
Membership fees	-	82,517	908	83,425	14,225	7,941	22,166	105,591	88,526
Professional fees (including $21,650 and $15,394 of donated services in 2021 and 2020, respectively)	-	12,153	340,498	352,651	4,314	141,490	145,804	498,455	153,082
Insurance	-	37,046	27,047	64,093	33,247	24,800	58,047	122,140	91,910
Office supplies	-	14,230	3,298	17,528	13,420	9,459	22,879	40,407	114,657
Building maintenance and repairs	-	30,337	-	30,337	27,226	20,225	47,451	77,788	76,245
Transportation	-	5,748	142	5,890	6,506	4,123	10,629	16,519	35,640
Rental of equipment	-	7,111	2,044	9,155	7,547	4,371	11,918	21,073	31,715
Recognition programs (including $0 and $1,770 of donated items in 2021 and 2020, respectively)	-	5,828	12,882	18,710	16,821	156	16,977	35,687	62,777
Loss on disposal of property and equipment	-	-	-	-	-	-	-	-	(360)
Other	-	29,603	1,960	31,563	9,538	15,747	25,285	56,848	40,616
Total other expenses	22,007,614	1,357,650	11,157,824	34,523,088	992,715	504,149	1,496,864	36,019,952	31,974,056
Total expenses before depreciation	22,007,614	3,754,370	12,727,123	38,489,107	3,224,507	2,106,410	5,330,917	43,820,024	39,206,502
DEPRECIATION	-	72,140	-	72,140	64,741	48,094	112,835	184,975	193,189
Total expenses	$ 22,007,614	$ 3,826,510	$ 12,727,123	$ 38,561,247	$ 3,289,248	$ 2,154,504	$ 5,443,752	$ 44,004,999	$ 39,399,691

The accompanying notes are an integral part of these statements.

UNITED WAY OF GREATER ROCHESTER, INC. AND AFFILIATES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2021
(With Comparative Totals for 2020)

	Supplementary Information					
	United Way of Greater Rochester, Inc.	UWGR Holding Company, Inc.	Supporting Foundations	Eliminations	2021 Consolidated	2020 Consolidated
CASH FLOW FROM OPERATING ACTIVITIES:						
Change in net assets	$ 71,103,629	$ (17,698)	$ 50,044,277	$ -	$ 121,130,208	$ (22,154,820)
Adjustments to reconcile change in net assets to net cash flow from operating activities:						
Net realized and unrealized (gain) loss on investments	(49,688,664)	-	-	-	(49,688,664)	14,396,733
Sale proceeds of donated financial assets	1,912,802	-	-	-	1,912,802	1,234,287
Depreciation	50,172	134,803	-	-	184,975	193,189
(Gain) loss on disposal of property and equipment	-	-	-	-	-	(360)
Permanently restricted legacies and gifts	(79,032)	-	-	-	(79,032)	(10,000)
Change in funded status of pension and postretirement liability	(4,069,983)	-	-	-	(4,069,983)	1,447,534
Provision for uncollectible pledges	523,846	-	-	-	523,846	946,352
Changes in:						
Pledges receivable	1,439,709	-	-	-	1,439,709	(698,158)
Grants receivable	(607,859)	-	-	-	(607,859)	(555,294)
Interest and dividends receivable and other assets	(3,471,410)	(11,468)	-	-	(3,482,878)	61,493
Rent receivable - affiliate	-	(37,681)	-	37,681	-	-
Bequests receivable	(128,824)	-	-	-	(128,824)	(37,036)
Accounts payable and accrued expenses	(42,806)	(6,692)	-	-	(49,498)	208,002
Due to agencies	1,439,820	-	-	-	1,439,820	(1,718,146)
Deferred revenue	(1,082,146)	-	-	-	(1,082,146)	841,589
Rent payable - affiliate	37,681	-	-	(37,681)	-	-
Pension and plan postretirement liability	700,134	-	-	-	700,134	298,288
Net cash flow from operating activities	18,037,069	61,264	50,044,277	-	68,142,610	(5,546,347)
CASH FLOW FROM INVESTING ACTIVITIES:						
Cash from insurance proceeds	-	-	-	-	-	8,375
Purchases of property and equipment, net of disposals	-	(41,358)	-	-	(41,358)	(111,478)
Purchases of investments	(44,956,458)	-	-	-	(44,956,458)	(66,241,258)
Sales of investments	33,542,572	-	-	-	33,542,572	70,389,436
Changes in beneficial interest in split-interest arrangements	(1,138,022)	-	-	-	(1,138,022)	467,476
Net cash flow from investing activities	(12,551,908)	(41,358)	-	-	(12,593,266)	4,512,551
CASH FLOW FROM FINANCING ACTIVITIES:						
Permanently restricted legacies and gifts	79,032	-	-	-	79,032	10,000
Decrease in charitable gift annuity reserve	(53,144)	-	-	-	(53,144)	(10,071)
Change in pooled life income fund assets	(14,907)	-	-	-	(14,907)	(14,907)
Net cash flow from financing activities	10,981	-	-	-	10,981	(14,978)
CHANGE IN CASH AND EQUIVALENTS	5,496,142	19,906	50,044,277	-	55,560,325	(1,048,774)
CASH AND EQUIVALENTS - beginning of year	6,583,357	204,753	91,618	-	6,879,728	7,928,502
CASH AND EQUIVALENTS - end of year	$ 12,079,499	$ 224,659	$ 50,135,895	$ -	$ 62,440,053	$ 6,879,728

The accompanying notes are an integral part of these statements.

1. THE ORGANIZATION

Due to common management, board control and joint economic interest the consolidated financial statements include the accounts of the follow entities:

United Way of Greater Rochester, Inc.
United Way of Greater Rochester, Inc. (founded in 1918); the United Way of Wayne County, Inc.; the United Way of Ontario County, Inc.; the Genesee Country United Way; the United Way of Livingston County, Inc.; and the United Way of Wyoming County, Inc. (collectively, the United Way). Under the terms of the affiliation agreements, each entity will maintain its corporate existence and any party may terminate the agreement with one year's advance notice to other parties.

UWGR Holding Company, Inc.
UWGR Holding Company, Inc. (Holding Company), a not-for-profit corporation organized for the purpose of accepting, holding and managing gifts of real property, interests in real property, and other gifts for the sole benefit of United Way of Greater Rochester, Inc. United Way of Greater Rochester, Inc. is Holding Company's sole corporate member.

Supporting Foundations
An affiliation between The Wegmans Family Foundation, Inc. (Foundation) and the United Way of Greater Rochester, Inc. is in place that establishes the Foundation as a supporting organization of the United Way of Greater Rochester, Inc.

United Way's mission is to unite the good will and resources of the Greater Rochester community so that everyone can thrive. United Way supports a broad network of human service organizations, community initiatives and innovative strategies to address our most pressing local challenges with real, impactful solutions.

United Way is governed by a volunteer Board of Directors (Board) and carries out its purpose through various programs as follows:

Annual Campaign and Year-Round Giving
As part of United Way's annual campaign, the resource development team secures financial and volunteer resources on a year-round basis by developing a long-range, revenue generating strategic plan. Critical components of that plan include recruiting high level volunteers to serve throughout the entire United Way organization; securing and conducting annual workplace campaigns in over 800 organizations; developing a new account acquisition model to secure first time employee campaigns and corporate contributions, with a special emphasis on the small business sector; and connecting community initiatives with government grants and funding for sustainable change. Additionally, an individual giving program is also utilized in the annual campaign that includes gifts from donors outside workplace campaigns of less than $10k, and cultivating major gifts of $10k and above for the Tocqueville Society. Other giving opportunities include Leaders United, Women United, African American Leadership Society, Circulo Latino Leadership Society, Labor Leaders Club and Emerging Leaders Society.

1. THE ORGANIZATION (Continued)

Community Impact

Through its annual campaign efforts, United Way invests donor dollars in the community by utilizing a network of trained, community volunteers who, in coordination with expert staff, determine how to invest dollars in the most efficient and effective manner possible to ensure strong long-term results for individuals and families, based on the priorities of our community. These dollars are invested where they will make a measurable impact on the community by funding evidence-informed programs, supporting engagement in strategic community partnerships, mobilizing volunteers and advancing advocacy efforts in support of strategies to positively impact people throughout their lifespan—from babies to older adults and everyone in between.

United Way of Greater Rochester, Inc. also allows donors to direct their campaign pledges to various service areas, funded community impact providers and other eligible health and human service organizations.

Community Crisis Fund

In response to the impact of the COVID-19 pandemic in our region, the United Way and Rochester Area Community Foundation have partnered on a centralized funding pool to rapidly deploy flexible resources to nonprofits that are disproportionately impacted by the COVID-19 (coronavirus) pandemic. The dollars are strategically invested to mitigate the economic consequences of the outbreak, support community and organizational recovery, and provide a buffer for future community emergencies.

The use of the first phase of funding was to meet the immediate needs of front line human services organizations that have strong experience serving low-income and vulnerable residents. These organizations address the economic impact of the COVID-19 outbreak and the immediate needs of economically vulnerable populations caused by pandemic-related closures (food, shelter, clothing, childcare, hygiene products, cleaning supplies, etc.). In the second phase, the Fund supported nonprofits disproportionately impacted by the pandemic, and provided community and organizational recovery. The last phase of funding was used to support vaccine distribution, and the final payment from the fund was distributed in February, 2021.

Grant Funded Programs

United Way of Greater Rochester serves as the host and fiscal agent for the Rochester-Monroe Anti-Poverty Initiative (RMAPI). The initiative is a multi-sector community collaborative with a goal to improve quality of life by reducing poverty and increasing self-sufficiency. To do this, RMAPI is focused on increasing income, making basic needs more affordable and accessible, and lowering concentrations of poverty.

United Way of Greater Rochester also serves as host and fiscal agent for the Systems Integration Project (SIP) whose goal is to improve the health and economic well-being of individuals and families in Monroe County, especially those who are vulnerable or impacted by poverty.SIP will establish connections between 300+ health, education and human services providers transforming the way that our community works together to help individuals and families obtain support. When fully implemented by March 2024, the SIP will both enable and evaluate coordinated cross-sector interventions that support a person’s transition from crisis to stable to thriving across the lifespan.

1. THE ORGANIZATION (Continued)

Donor Advised Funds

United Way of Greater Rochester offers various opportunities for planned gifts, donor advised funds and endowment giving. The charitable gift fund (CGF) program was renamed in March 2020 and is now known as the donor advised fund (DAF) program. United Way's DAF program provides support for our donors' philanthropic interests. A DAF can be established by an individual, family or group. Gifts are made to a DAF through cash, marketable securities or other assets. The donors may recommend grant distributions from their fund to any qualified domestic 501(c)(3) charity.

ROC the Day

ROC the Day is an annual 24-hour online event established by the United Way of Greater Rochester, Inc. that provides donors an opportunity to support more than 500 participating not-for-profit organizations in the nine-county Greater Rochester area. United Way powers the ROC the Day website, convenes community partners, recruits local not-for-profits to participate and processes the donations during the event. ROC the Day is open to any eligible not-for-profit in the nine-county Greater Rochester region, serving a variety of sectors including animals, arts and culture, environment, human services, health, education, religion and community development.

Leadership Development

United Way of Greater Rochester, Inc. provides leadership development programs in the following areas: African American Leadership, Latino Leadership, Asian Pacific Americans, Pride (LGBTQ), Emerging Leaders (under age 40), Indian-American Leaders and Labor Unions. These leadership programs prepare individuals for leadership positions in the community, in particular, on the boards and committees of not-for-profit organizations. The labor participation program continues the collaborations and historic relationships between labor unions and United Way with the annual Union Community Assistance Network program, recognition of the work unions provide, as well as various activities aimed at promoting organized labor's support.

Volunteer United

United Way of Greater Rochester offers a Volunteer United program that connects and matches dedicated volunteers and corporate groups with local nonprofits that need an extra hand or are seeking support for specific projects and volunteer opportunities. Additionally in response to the impact of the COVID-19 pandemic, we provided volunteer matching services to assist with distribution of vaccinations to the public reaching over a million residents in the region.

National Campaign Processing

United Way of Greater Rochester, Inc. provides processing for workplace campaigns where fundraising occurs at a national level. This processing includes collecting pledges, data entry of the pledges and payment to other United Ways and agencies as directed by the donor. Fees for this service are charged at a rate as allowed by the United Way Worldwide standards and are included in other revenue.

Affiliate Regional System

United Way of Greater Rochester, Inc. provides professional leadership and support services in the areas of governance, fundraising, communications, finance, pledge processing, information technology, human resources, marketing and fund distribution to independent United Way affiliates in Wayne, Ontario, Genesee, Livingston and Wyoming counties.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting
The consolidated financial statements of the United Way are prepared in conformity with accounting principles generally accepted in the United States (GAAP).

Principles of Consolidation
The accompanying consolidated financial statements include the accounts of the United Way, Wegmans Family Foundation and Holding Company (collectively, the Organizations). All significant intercompany transactions and balances have been eliminated.

Financial Reporting
The revenue, expenses and net assets of the Organizations are reported in the following classifications:

- **Without Donor Restrictions**
  Net assets without donor restrictions include funds available for operating activities. In addition, they include net investment in property and equipment and other resources specifically designated by the respective governing Boards.

- **With Donor Restrictions**
  Net assets with donor restrictions include investments and other assets received with donor stipulations that limit their use, as well as unrestricted investment earnings on permanently restricted endowment funds not yet appropriated for expenditure by the Board. When a donor restriction expires or the Board makes an appropriation, net assets with restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restriction. Additionally, net assets with donor restrictions include investments from endowments and beneficial interests in shared interest arrangements. These are subject to the restrictions of gift instruments requiring that the principal be invested in perpetuity.

Cash and Cash Equivalents
The Organizations consider liquid investments, with a maturity of less than three months when purchased, to be cash equivalents. In addition, cash and cash equivalents include bank accounts and money market funds, which, at times, may exceed federally insured limits. The Organizations have not experienced any losses in such accounts and believe they are not exposed to any significant credit risk with respect to cash and cash equivalents.

Grants Receivable and Revenue
The United Way received grants from government, foundation and other funding sources for the purpose of funding the Rochester Monroe Anti-Poverty Initiative, Systems Integration Project, capital improvements and other programs. These amounts are recorded as revenue to the extent that expenses have been incurred and barriers are overcome under the terms of the grant agreement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Bequests Receivable
The United Way is the beneficiary under various wills and trust agreements, the total realizable value of which is not presently determinable. Amounts are recorded as bequests receivable when a will is declared valid by a probate court and the proceeds are measurable. Bequest receivables recorded were $202,128 and $73,304 at March 31, 2021 and 2020, respectively.

Investments
The United Way invests in various types of investment vehicles that are recorded at fair value in the accompanying consolidated financial statements. Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated financial statements.

Fair Value Measurement - Definition and Hierarchy
The United Way uses various valuation techniques in determining fair value. Generally, accepted accounting principles establish a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the United Way. Unobservable inputs are inputs that reflect the United Way's assumptions about the assumptions market participants would use in pricing the asset or liability, developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

- Level 1 - Valuations based on quoted prices in active markets for identical assets or liabilities that the United Way has the ability to access. Valuation adjustments are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation does not entail a significant degree of judgment.

- Level 2 - Valuations based on quoted prices in markets that are not active or for which all-significant inputs are observable, directly or indirectly.

- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of observable inputs can vary and is affected by a wide variety of factors. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are recorded at cost if purchased or the fair market value at the date of donation. The Organizations' policy is to capitalize all property and equipment purchases greater than $5,000 with a useful life greater than one year. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, which range from 3 to 15 years for equipment and furniture and 40 years for building and improvements. No depreciation expense is recognized in the year of acquisition for equipment and furniture. Depreciation is recognized in the first full month after acquisition for building and improvements.

Split-Interest Agreements

The United Way has recorded as contributions various types of split-interest agreements, including charitable remainder and perpetual trusts. With respect to charitable remainder trust agreements, the United Way has recorded the contributions as donor-restricted revenue at the estimated fair value of the assets to be received based on the present value of the estimated future payments using a discount rate of 0.92% as of March 31, 2021, or, if the payout terms of the trust may be revised, their minimum interest in the fair value of the trust's assets.

Under the terms of perpetual trust arrangements, a donor establishes and funds a perpetual trust administered by an individual or organization other than the United Way. Under the terms of the trust, the United Way has the irrevocable right to receive the income earned on the trust assets in perpetuity, but never receives the assets held in trust. The United Way has recorded an asset at the estimated fair value of the United Way's beneficial interest in trust assets. Income earned on the trust assets is recorded as unrestricted revenue in the accompanying consolidated statement of activities unless otherwise restricted by the donor. Subsequent changes in fair value of the beneficial interest in the trust assets are recorded as a component of investment income in net assets with donor restrictions.

Deferred Revenue

Deferred revenue consists primarily of cash received under grants that exceed the revenue earned. Grant revenue is recognized in the period in which expenses are incurred or the related work is performed and barriers are overcome in accordance with the terms of the grant.

Due to Agencies

The United Way of Greater Rochester allocates campaign pledges to agencies on a twelve-month cycle, which runs from August 1 to July 31 each year. The remaining United Ways in the Organization allocate campaign pledges to agencies on a twelve-month cycle, with varying starting points throughout the year. The amount accrued represents the final four months of 2020 campaign pledges due to be paid to agencies as of the United Way of Greater Rochester's fiscal year-end, as well as the final three to nine months of 2020 campaign pledges to be paid for the remaining United Ways depending on their individual payment cycle. All donor-designated pledges are paid in full to agencies by year-end.

Contributions

The United Way reports gifts of cash and other assets as with donor restrictions support if they are received with donor stipulations that limit their use. Contributions with donor restrictions whose restrictions are met in the same reporting period as the contributions are received are reported as revenue with donor restrictions and net assets released from restrictions in the same year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Goods and Services

The United Way recognizes contributed goods and services as revenue and expense if such services meet the criteria for recognition under generally accepted accounting principles. Donated services totaled $93,650 and $111,694 in fiscal 2021 and 2020, respectively. Donated services consist primarily of advertising services, including advertising time on television and radio stations, and advertisements placed in newspapers and legal services provided to the organization.

Donated goods totaled $608,733 and $18,729 in fiscal 2021 and 2020, respectively.

In addition to the previously described services, volunteers have donated significant amounts of time in support of the United Way's activities. These contributions have not been recorded as revenue and expense as they do not meet the criteria for recognition under generally accepted accounting principles.

Investment Income

Dividend, interest and other investment income are reported in the period earned as increases in net assets with donor restrictions, unless the use of income on such assets is explicitly limited by donor-imposed restrictions. Investment income earned on endowment gifts with donor restrictions follows the donor's restrictions on the use of the related income (interest and dividends), and income without donor restrictions on permanent endowment funds is classified as with donor restrictions until appropriated for expenditure by the Board. Donor-restricted investment income is reported as an increase in net assets with donor restrictions. Gains and investment income that are limited to specific uses by donor-imposed restrictions are reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period as the gains and income are recognized.

Advertising Costs

Advertising costs are charged to expense as incurred. Advertising costs other than donated services were $41,532 and $164,978 in 2021 and 2020, respectively.

Expenses

United Way records allocations to agencies as allocations expense in the period such allocations are approved by the Board of Directors and commitments are made to the recipient agencies. United Way of Greater Rochester has a policy of making allocation commitments in July for an allocation-funding year of August 1 to July 31. The remaining United Ways in the Organization have allocation funding cycles that start on different months throughout the year.

Donor Advised Fund grants include grants recommended by donors to qualified organizations and approved for distribution from donor advised funds.

The costs of providing various community investment and services, resource development and general management activities have been summarized on a functional basis in the statement of activities and change in net assets and are based on the percentage of salary dollars for the specific programs or activities to total salary expense. All other expenses are directly allocated to the program benefited by the expense.

Community Investment and Services expenses are incurred for the following programs described in footnote 1: annual campaign allocations and designations, donor advised fund grants, ROC the Day allocations, Community Crisis fund allocations, Grant Funded programs and Leadership Development.

Resource Development expenses are incurred to secure financial resources obtained through the annual campaign and individual and planned giving.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expenses (Continued)

General Management expenses include the functions of the offices of the president, finance, information technology, human resources and facilities. Specific activities include accounting, endowment investment management, pledge processing (local and national campaigns), grants management, facilities management, data security, information technology support and human resources management.

Allocation of Certain Expenses

The consolidated statement of functional expenses presents expenses by both functional and natural classification. Expenses directly attributable to a specific functional area or program of United Way of Greater Rochester are reported as expenses of those functional areas. Expenses that benefit multiple functional areas (indirect costs) have been allocated across Program and Supporting Services based on a review of the percent of time each person spends in a functional category. This overall calculation is then used as a general formula for allocating the following expenses: salaries and related expenses; organization meetings and conferences; United Way Worldwide dues; Information Technology; rent and occupancy; insurance; office supplies; building maintenance and repairs; rental equipment; interest and other expense.

Cost Deduction

The United Way may assess fundraising and management and general fees in accordance with the United Way Worldwide membership requirements as outlined in United Way Worldwide's publication titled "United Way of America Cost Deduction Requirements for Standard M." The standard establishes a maximum fee amount a United Way may assess another United Way organization. The United Way of Greater Rochester, Inc. follows the standard by charging the maximum fee allowed or less.

Income Taxes

The United Way and Holding Company are not-for-profit organizations and are exempt from income taxes as organizations qualified under Section 501(c)(3) of the Internal Revenue Code. The Organizations have also been classified by the Internal Revenue Service (IRS) as entities that are not private foundations. The Wegmans Family Foundation, Inc. is a public charity, Type I supporting organization to the United Way of Greater Rochester, Inc.

Comparative Information

The consolidated financial statements include certain prior year comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organizations' consolidated financial statements for the year ended March 31, 2020, from which the information was derived.

Estimates

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

3. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organizations are substantially supported by contributions from the public and grant funds. In addition, the Organizations hold financial assets for specific programmatic purposes and/or with specific donor designations. Thus, financial assets reported on the accompanying balance sheet may not be available for general expenditure within one year.

The Organizations' financial assets available within one year of the balance sheet date for general expenditures are as follows:

	2021	2020
Financial assets at March 31	$ 246,873,435	$ 128,684,669
Less: Financial assets unavailable for general expenditures within one year:		
Quasi-endowment	(65,756,638)	(46,656,562)
Endowment with donor restrictions	(73,845,056)	(52,599,718)
Permanently restricted perpetual trust	(4,301,566)	(3,089,100)
Split-interest agreements	(488,434)	(547,971)
Other long-term investments	(1,502,123)	(1,125,022)
Board designated net assets	(4,541,974)	(3,588,168)
Bequest receivable	(202,128)	(73,304)
Plus: Appropriation in accordance with United Way's total return spending policy	5,002,835	4,948,798
Financial assets available to meet cash needs for general expenditure within one year	$ 101,238,351	$ 25,953,622

The Organizations maintain a policy of structuring their financial assets to be available as their general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Organizations have Board Designated net assets without donor restrictions that, while the Organizations do not intend to spend these for purposes other than those identified, could be made available for operations if necessary.

During fiscal 2021, the United Way was the recipient of a large, unrestricted donation. Subsequent to year end, the Board designated this gift for the purpose of innovation, support and transformation in the community. As a result, in May 2021, approximately $20 million was moved into a board designated fund.

4. ANNUAL CAMPAIGN

The annual campaign is conducted to raise support for distribution to programs that are driven by demonstrated quality, customer focus and results.

Campaign results are as follows for the years ended March 31:

	2021	2020
Total amount raised	$ 16,527,240	$ 22,638,725
Less:		
State and federal campaign fundraising	(242,653)	(282,134)
Provision for doubtful pledges - current year	(523,846)	(946,352)
Perpetual gifts of investment income from bequests	(617,938)	(601,433)
Reversal of investment grants from advised funds	(390,729)	(1,618,450)
Amounts recorded in prior year	(3,369,267)	(5,013,663)
Add:		
Amounts recorded related to next year's campaign	4,922,036	4,898,650
Amount recorded in consolidated statement of activities	$ 16,304,843	$ 19,075,343

5. PLEDGES RECEIVABLE

At March 31, 2021 and 2020, contributors to the United Way had outstanding written unconditional promises to give in connection with annual campaigns as follows:

	2021	2020
2021 Campaign	$ 2,486,495	$ -
2020 Campaign	2,330,111	3,722,001
2019 Campaign	129,655	3,309,492
2018 Campaign	-	399,927
2017 Campaign and prior Campaigns	-	48,995
Less: Allowance for uncollectible pledges	(806,754)	(1,377,353)
	$ 4,139,507	$ 6,103,062

Most pledges lack due dates or are due within one year or less. Consequently, all pledges are recorded without any discount to present value. The United Way records an allowance for doubtful accounts in anticipation of future collection problems. The allowance for doubtful accounts is computed based on management estimates of current collectability and includes estimates of economic factors, which are applied to gross campaign pledges, including donor designations.

6. DONOR DIRECTED PLEDGES

Annual Campaign

As part of the annual campaign, United Way donors have the option of directing their pledges to various service areas, funded providers, and other eligible organizations as part of our annual campaign giving. Pledges directed to funded providers, which are in excess of the program allocation as determined by the United Way, are also remitted to the provider.

Annual campaign revenue includes donor directed pledges as follows for the years ended March 31:

	2021	2020
Donor directed pledges - funded providers	$ 964,932	$ 1,034,524
Donor directed pledges - funded providers in excess of program allocations	42,305	59,560
Donor directed pledges - other eligible organizations	3,802,450	5,138,929
	$ 4,809,687	$ 6,233,013

Donor directed pledges made through United Way of Greater Rochester, Inc.'s annual campaign are subject to the United Way's policy, which provides that the United Way can unilaterally redirect the funds otherwise designated by the donor should the United Way determine the designation is contrary to the goals and strategies of the United Way.

ROC the Day

As part of the ROC the Day event, United Way donors have the option of designating their donations to local not-for-profit organizations approved for participation in the event. Designations to ROC the Day, excluding sponsorships, were $835,548 and $513,126 as of March 31, 2021 and 2020, respectively.

7. INVESTMENTS

Investments consisted of the following at March 31:

	2021	2020
Mutual funds and pooled funds:		
Domestic equity mutual funds	$ 49,766,175	$ 32,423,052
International equity mutual and pooled funds	43,772,352	30,680,834
Fixed income mutual and pooled funds	29,612,984	11,117,305
Balanced mutual funds	6,794,328	9,740,758
Flexible capital	14,988,877	4,840,787
Private equity	-	4,830
Inflation risk management:		
Real estate	5,462,813	4,043,748
Commodities	1,777,701	2,473,578
Treasury inflation protected securities	9,581,433	7,986,173
Fixed income:		
U.S. government obligations	7,182,867	5,906,185
Corporate bonds	10,331	103,431
Temporary investments	824,363	1,263,795
	$169,774,224	$110,584,476

8. SPLIT-INTEREST AGREEMENTS

Assets related to split-interest agreements, valued at fair value, consisted of the following at March 31:

	2021	2020
Perpetual trusts	$ 4,301,566	$ 3,089,100
Pooled life income fund	211,572	164,491
Charitable remainder trusts	236,763	314,655
Life insurance	40,099	38,681
UWW Charitable Gift Annuity	-	30,144
	$ 4,790,000	$ 3,637,071

In addition, included in the United Way's investments are certain assets given under the term of charitable gift annuities for which United Way is the trustee. Liabilities related to these agreements were $152,588 and $205,732, respectively, at March 31, 2021 and 2020. Liabilities are recorded equal to the estimated present value of payments that the United Way is required to make to specified beneficiaries under the terms of these agreements.

The change in value of split-interest agreements was a gain of $1,209,059 and a loss of $475,880 for the years ended March 31, 2021 and 2020, respectively, and is included in "Investment gains (losses), net" in the accompanying consolidated statement of activities and change in net assets.

9. FAIR VALUE MEASUREMENTS

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in valuation methodologies used at March 31, 2021 and 2020.

The United Way's investments in mutual funds and U.S. Government obligations are valued based on quoted market prices. The value of the United Way's investments in corporate bonds are determined by entering standard inputs into a pricing model. These inputs include benchmark yields, reported trades, broker/dealer quotes, issuer spreads and industry and economic events.

These investments are redeemable at NAV under the original terms of the subscription agreements and operations of the underlying funds. However, it is possible that these redemption rights may be restricted or eliminated by the funds in the future in accordance with the underlying fund agreements. Due to the nature of the investments held by these funds, changes in market conditions and the economic environment may significantly impact the NAV of the funds and, consequently, the fair value of the United Way's interest in the funds. Furthermore, changes to the liquidity provisions of the funds may significantly impact the fair value of the United Way's interest in the funds.

The United Way's investment objectives for funds valued at NAV as a practical expedient are as follows:

- Flexible capital - seeks to earn long-term rates of return with an emphasis on capital preservation and appreciation.
- Commodities fund - invests in commodities (i.e. energy, industrial metals, precious metals, agriculture) via futures, swaps, options, and ETFs. The objective of this fund is to outperform its custom benchmark, an equal sector-weighted version of the S&P Goldman Sachs Commodities Index, through active management of commodities exposure.
- International equity pooled funds – these funds invest in U.S. value and growth equities, and non-U.S. developed, emerging and global markets with the goal of long-term capital growth.
- Balanced mutual funds - these funds invest in a balance of 55% equities and 45% fixed income funds to achieve the preservation of capital and production of income.
- Fixed income pooled funds - investment in a global bond fund, focused on medium term capital growth and income. This investment is structured to have a low correlation to high growth assets such as equities.

9. FAIR VALUE MEASUREMENTS (Continued)

The unfunded commitment and redemption provisions of investments valued at NAV as a practical expedient by major classification are presented as follows at March 31, 2021:

	Fair Value	Unfunded Commitments	Redemption Provisions	Expected Liquidation Terms
Flexible capital	$ 14,988,877	$ -	Annual or quarterly, with notification requirement varying from 30 days to 6 months	N/A
Commodities	1,757,376	-	Daily, with daily notification requirement	N/A
Balanced mutual funds	95,097	-	Daily, with daily notification requirement	N/A
International equity pooled funds	34,486,163	-	Monthly, with notification requirement varying from 4 to 30 days	N/A
Fixed income pooled funds	4,466,886	-	Twice a month, with notification period of business days	N/A
Domestic equity funds	10,201,327	-	Quarterly, with notification period of 45 days	N/A
	$ 65,995,726	$ -		

Temporary investments consist of cash included in the investment portfolio expected to be reinvested.

Split-Interest Agreements
The fair value of the United Way's split-interest agreements is determined on a recurring basis by estimating the present value of future cash flows, which incorporates an estimate of an annual rate of return on trust assets, life expectancy and discount rate. Trust assets held in split-interest agreements include publicly traded equity securities and corporate and U.S. government bonds.

9. FAIR VALUE MEASUREMENTS (Continued)

The United Way's investments and split-interest agreements are classified in the following fair value hierarchy at March 31, 2021:

Investments	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	NAV as Practical Expedient	Total
Mutual funds:					
Domestic equity mutual funds	$ 39,564,848	$ -	$ -	$ 10,201,327	$ 49,766,175
International equity mutual funds	9,286,189	-	-	-	9,286,189
Fixed income mutual funds	25,146,098	-	-	-	25,146,098
Balanced mutual funds	6,699,231	-	-	95,097	6,794,328
Pooled funds:					
International equity pooled funds	-	-	-	34,486,163	34,486,163
Fixed income pooled funds	-	-	-	4,466,886	4,466,886
Flexible capital	-	-	-	14,988,877	14,988,877
Inflation risk management:					
Real estate mutual funds	5,462,813	-	-	-	5,462,813
Commodities funds	20,325	-	-	1,757,376	1,777,701
Treasury inflation protected securities mutual funds	9,581,433	-	-	-	9,581,433
Fixed income:					
U.S. government obligations	7,182,867	-	-	-	7,182,867
Corporate bonds	-	10,331	-	-	10,331
Total investments	$ 102,943,804	$ 10,331	$ -	$ 65,995,726	$ 168,949,861

Split-interest agreements	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	NAV as Practical Expedient	Total
Pooled life income fund	$ 211,572	$ -	$ -	$ -	$ 211,572
Other split-interest agreements	-	4,578,428	-	-	4,578,428
Total split-interest agreements	$ 211,572	$ 4,578,428	$ -	$ -	$ 4,790,000

9. FAIR VALUE MEASUREMENTS (Continued)

The United Way's investments and split-interest agreements are classified in the following fair value hierarchy at March 31, 2020:

Investments	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	NAV as Practical Expedient	Total
Mutual funds:					
Domestic equity mutual funds	$ 28,645,689	$ -	$ -	$ 3,777,363	$ 32,423,052
International equity mutual funds	1,290,920	-	-	-	1,290,920
Fixed income mutual funds	6,143,769	-	-	-	6,143,769
Balanced mutual funds	9,684,817	-	-	55,941	9,740,758
Pooled funds:					
International equity pooled funds	-	-	-	29,389,914	29,389,914
Fixed income pooled funds	-	-	-	4,973,536	4,973,536
Flexible capital	-	-	-	4,840,787	4,840,787
Private equity	-	-	4,830	-	4,830
Inflation risk management:					
Real estate	4,043,748	-	-	-	4,043,748
Commodities	16,351	-	-	2,457,227	2,473,578
Treasury inflation protected securities	7,986,173	-	-	-	7,986,173
Fixed income:					
U.S. government obligations	5,906,185	-	-	-	5,906,185
Corporate bonds	-	103,431	-	-	103,431
Total investments	$ 63,717,652	$ 103,431	$ 4,830	$ 45,494,768	$ 109,320,681

Split-interest agreements	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	NAV as Practical Expedient	Total
Pooled life income fund	$ 164,491	$ -	$ -	$ -	$ 164,491
Other split-interest agreements	-	3,472,580	-	-	3,472,580
Total split-interest agreements	$ 164,491	$ 3,472,580	$ -	$ -	$ 3,637,071

10. DONOR ADVISED FUNDS

At March 31, 2021 and 2020, the Organizations held investments of approximately $11,800,000 and $9,900,000, respectively, as part of the United Way's Donor Advised Fund program. These amounts represent unrestricted contributions received by the United Way. However, the donors may make non-binding recommendations to the United Way as to the timing, amount and recipient of distributions from these funds, including the distribution of fund principal.

11. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at March 31:

	2021	2020
Land	$ 228,000	$ 228,000
Building and improvements	3,293,681	3,252,324
Equipment	184,380	187,281
Furniture and fixtures	73,389	73,389
Computer equipment	543,022	544,869
	4,322,472	4,285,863
Less: Accumulated depreciation	(2,636,755)	(2,456,529)
	$ 1,685,717	$ 1,829,334

12. PAYCHECK PROTECTION PROGRAM

In April, 2020, United Way obtained an unsecured promissory note payable to a bank in the amount of $1,054,322. This note was entered into under the terms of the U.S. Small Business Administration's (SBA) Paycheck Protection Program (PPP) created by the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

The PPP provides for this borrowing to be forgiven, in whole or in part, to the extent that the United Way meets defined requirements related to the expenditure of funds and management of personnel levels. Forgiveness is determined by the bank and is subject to approval by the SBA. Any portion of the loan that is not forgiven will be required to be repaid under the terms of the agreement, which include monthly payments, fixed interest at 1%, and maturity two years from the date funded

As United Way believed it met all requirements to obtain complete forgiveness for the year ended March 31, 2021, $1,054,322 has been recorded as grant revenue in the accompanying consolidated statements of activities and changes in net assets. The United Way received formal approval for complete forgiveness of the note payable on June 22, 2021.

13. PENSION AND OTHER POSTRETIREMENT BENEFITS

Pension Plan

The United Way maintains a noncontributory defined benefit pension plan that provides retirement, disability and death benefits and covers individuals who were employees of the United Way of Greater Rochester, Inc. and United Way Services Corporation (collectively, the Organizations) prior to January 1, 2007. The Plan was frozen by United Way of Greater Rochester, Inc.'s Board of Directors as of January 1, 2007 at which time it was replaced by a 403(b) plan. The United Way's funding policy is to contribute annually an amount that meets the minimum funding requirements of the Employee Retirement Income Security Act of 1974 (ERISA).

Measurement Dates

The measurement date for the year-end benefit obligations and assets is March 31 for the fiscal years ended March 31, 2021 and 2020.

Funded Status

Obligations and funded status of the plan are as follows:

	2021	2020
Projected benefit obligation	$ (13,632,959)	$ (14,461,025)
Fair value of plan assets at end of year	12,387,246	10,025,174
Funded status	$ (1,245,713)	$ (4,435,851)
Accumulated benefit obligation	$ (13,632,959)	$ (14,461,025)
Employer contributions	$ 326,100	$ 326,100
Benefit payments	$ (749,977)	$ (761,867)

Financial Statement Recognition

As of March 31, the following amounts were recognized in the consolidated balance sheet:

	2021	2020
As a non-current liability	$ (1,245,713)	$ (4,435,851)

Amounts recognized in the consolidated statements of activities and changes in net assets as of March 31 consist of:

	2021	2020
Service cost	$ 106,000	$ 96,000
Interest cost	404,198	460,357
Expected return on plan assets	(621,358)	(662,716)
Amortization of net loss	1,013,238	602,422
Net periodic pension cost	$ 902,078	$ 496,063

13. PENSION AND OTHER POSTRETIREMENT BENEFITS (Continued)

Financial Statement Recognition (Continued)

As of March 31, 2021, the following items included in net assets had not yet been recognized as components of benefits expense:

	Net Actuarial Loss
Unrecognized amounts at March 31, 2021	$ 1,950,786
Expected amortization of unrecognized items in next year's expense	$ 151,767

For the year ended March 31, 2021, the United Way recognized $1,013,238 related to the amortization of its net actuarial loss in the consolidated statement of activities and change in net assets.

Assumptions

Weighted average assumptions used to determine benefit obligations at March 31, are as follows:

	2021	2020
Discount rate	2.79%	2.88%
Average annual increase in compensation	N/A	N/A
Expected long-term rate of return on plan assets	6.00%	6.50%

The expected long-term rate of return on plan assets was developed by considering historical plan performance, current asset allocation and forecasts of future returns.

The United Way uses the Pri-2012 Mortality Table, with scale MP-2020 for the actuarial calculation of Plan obligations.

Plan Assets

The United Way's pension plan weighted average asset allocations at March 31, 2021 and 2020, by asset category, were as follows:

	2021	2020	Target
Equity securities	24%	35%	24%
Fixed income securities	60%	43%	60%
International securities	16%	22%	16%
	100%	100%	100%

Effective January 2019, the United Way approved a change to the investment policy. The revised overall objective for investing the Pension Plan is to reduce the volatility in the funded status with the benchmark being the plan's liabilities. This strategy focuses on aligning investments with similar interest rates and duration with the anticipated pension liability exposure, with the objective to manage the funded status of the pension plan. The plan will invest assets using a glide path methodology and will adjust the asset allocation based on interest/discount rates and funded status of the plan.

13. PENSION AND OTHER POSTRETIREMENT BENEFITS (Continued)

Plan Assets (Continued)

The fair values of the pension plan assets at March 31, 2021 are as follows:

	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
Cash and equivalents	$ 61,657	$ -	$ -	$ 61,657
Vanguard Long-Term Treasury Fund Admiral	604,088	-	-	604,088
Vanguard Long Term Bond Index Fund	2,468,505	-	-	2,468,505
Vanguard Total Stock Market Index Fund	2,997,217	-	-	2,997,217
Vanguard Long-Term Inv Grade Fund	4,290,482	-	-	4,290,482
Vanguard Total International Stock Index	1,965,297	-	-	1,965,297
	$ 12,387,246	$ -	$ -	$ 12,387,246

The fair values of the pension plan assets at March 31, 2020 are as follows:

	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
Cash and equivalents	$ 64,465	$ -	$ -	$ 64,465
Vanguard Total Bond Market Index Fund	456,918	-	-	456,918
Vanguard Intermediate-Term Investment Grade Bonds	459,125	-	-	459,125
Vanguard Long Term Bond Index Fund	2,522,671	-	-	2,522,671
Vanguard Total Stock Market Index Fund	3,372,508	-	-	3,372,508
Vanguard Long-Term Inv Grade Fund	916,795	-	-	916,795
Vanguard Total International Stock Index	2,232,692	-	-	2,232,692
	$ 10,025,174	$ -	$ -	$ 10,025,174

Contributions

The United Way expects to contribute $326,100 to the Plan in fiscal year 2022, which will comply with the minimum funding requirements of the Employee Retirement Income Security Act of 1974.

13. PENSION AND OTHER POSTRETIREMENT BENEFITS (Continued)

Estimated Future Benefit Payments

Benefit payments are expected to be paid as follows:

2022	$	813,480
2023	$	830,060
2024	$	847,300
2025	$	848,102
2026	$	844,683
2027 - 2031	$	4,133,557

Other Postretirement Benefits Plan

The United Way provides health care for employees who retire from United Way and have attained age 55 with 10 years of service. The United Way's policy is to contribute amounts to this plan on an annual basis as needed for current benefit payments. The plan was amended in January 2015 to increase the maximum amount contributed for health insurance benefits for post-65 retirees from $80 to $85 per month including participating in other medical plans. The formula for early retirees has been changed and provides the same benefit for the retiree as if they were an active employee.

For employees who retired prior to July 2014, a life insurance benefit of one quarter of their final salary is also provided.

The measurement date for the year-end benefit obligations and assets is March 31 for the fiscal years ended March 31, 2021 and 2020.

The following table sets forth the Plan's funded status and expense recognized in the United Way's consolidated financial statements as of and for the years ended March 31, 2021 and 2020 based on actuarial reports.

	2021	2020
Accumulated postretirement benefit obligation	$ (1,882,280)	$ (2,061,991)
Market value of plan assets	-	-
Funded status	$ (1,882,280)	$ (2,061,991)
Net periodic postretirement benefit expense	$ 181,921	$ 162,526
Employer contributions	$ 71,169	$ 73,093
Benefits paid	$ 83,235	$ 83,430

As of March 31, the following amounts were recognized in the consolidated balance sheet:

	2021	2020
As a liability	$ (1,882,280)	$ (2,061,991)

13. PENSION AND OTHER POSTRETIREMENT BENEFITS (Continued)

Other Postretirement Benefits Plan (Continued)

Amounts recognized in the consolidated statements of activities and changes in net assets as of March 31 consist of:

	2021	2020
Service cost	$ 107,345	$ 84,255
Interest cost	56,073	68,757
Amortization of prior service credit	11,947	(6,939)
Amortization of net loss	6,556	16,453
Net periodic postretirement benefit cost	$ 181,921	$ 162,526
Amounts unamortized in other change in net assets at March 31:		
Actuarial gain recognition	$ (14,227)	$ 264,289
Prior service costs	$ -	$ 11,947
Amounts expected to be amortized in other change in net assets in the coming year:		
Actuarial loss recognition	$ (6,556)	$ (16,453)
Prior service costs	$ (11,947)	$ 6,939

The significant actuarial assumptions on which the actuarial valuations were based are:

	2021	2020
Discount rate	2.77%	2.83%
Medical care cost trend rate - Pre 65	7.00%	6.75%
Medical care cost trend rate - Post 65	4.50%	4.50%
Rate of future salary increases	3.25%	3.25%

The medical care cost trend rate used in the actuarial computation for 2021 gradually reduces to 3.784% in fiscal 2075 and subsequent years.

It was determined that the effect of a one-percentage point change in the assumed rates would not materially increase or decrease the accrued postretirement benefit cost and postretirement benefit expense.

The United Way did not seek the 28% Retiree Drug Subsidy offered by Medicare Part D effective January 1, 2006. Therefore, the actuary did not recognize the impact of the Medicare Prescription Drug Improvement and Modernization Act of 2003 on the Plan's accumulated benefit obligation or periodic pension cost.

13. PENSION AND OTHER POSTRETIREMENT BENEFITS (Continued)

Other Postretirement Benefits Plan (Continued)

In general, the United Way intends to fund the postretirement plan on a pay as incurred basis. The following table of benefit payments are expected to be paid:

2022	$	137,621
2023	$	118,678
2024	$	138,844
2025	$	136,642
2026	$	105,506

Contributions

The United Way expects to contribute $137,621 to the postretirement plan in fiscal year 2022, which will comply with the minimum funding requirements of the Employee Retirement Income Security Act of 1974.

14. RETIREMENT PLAN

The United Way sponsors a retirement plan qualified under Section 403(b) of the Internal Revenue Code. All employees of the United Way may elect to contribute a percentage of their compensation subject to limitations imposed by the Internal Revenue Service. For qualifying employees, the United Way makes contributions to the plan. The United Way recognized $403,608 and $340,663 of expense related to the Plan in 2021 and 2020, respectively.

The United Way also has plans qualified under Section 457 of the Internal Revenue Code for highly compensated employees. The United Way recognized $14,758 and $13,894 of expense related to these Plans in 2021 and 2020, respectively.

15. NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes. From time to time the Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion. The Board has designated a portion of net assets without donor restrictions as a quasi-endowment for the purpose of securing the Organization's long-term financial viability. The Organization's net assets without donor restrictions is comprised of undesignated and Board designated amounts for the following purposes, as follows:

	2021	2020
Undesignated	$ 84,352,591	$ 5,637,576
Board designated	4,541,974	3,588,168
Quasi-endowment	65,756,638	46,656,562
	$ 154,651,203	$ 55,882,306

Net assets are designated for the following purposes at March 31, 2021. The Board of Directors has designated the following amounts to meet anticipated program expansion and future needs.

	2021	2020
Operating Surplus	$ 1,160,842	$ 407,484
Community Investment Fund	884,854	1,117,154
Wayne County	567,024	524,017
Ontario County	461,876	365,645
UWGR Holding Co. Capital Reserve Fund	322,460	246,713
Synergy Fund	309,394	57,162
Innovation Fund	187,582	187,582
Livingston County	113,457	64,888
Hardware/Software acquisition	110,562	75,746
Genesee County	91,070	102,390
Blueprint Fund	89,191	117,352
Wyoming County	87,434	61,197
Building Renovations	46,825	46,825
Community Crisis Fund	44,759	100,000
Community Partnership Fund	41,482	86,232
UWSC Post Retirement Reserve Fund	20,066	20,866
Emergency Assistance	3,096	6,915
	$ 4,541,974	$ 3,588,168

16. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are as follows at March 31:

	2021	2020
Endowment:		
Time restricted - for use as part of a future year annual campaign	$ 1,404,744	$ 1,180,518
Time restricted - living endowment arrangements	59,204	48,203
Time restricted - to be used for agency capital projects	1,618,398	1,147,227
Accumulated unappropriated earnings on permanently restricted endowment funds	37,620,208	18,455,323
Program restrictions	1,949,820	722,706
Endowment funds to be held in perpetuity	34,609,643	33,200,237
George L. & Elizabeth C. Todd Permanent Trust	944,605	944,605
Total endowment net assets with donor restrictions	78,206,622	55,698,819
Time restricted - for use as part of a future year annual campaign	4,921,249	4,898,215
Time restricted - charitable remainder trust arrangements	236,763	314,655
Program restrictions	292,048	383,682
Total net assets with donor restrictions	$ 83,656,682	$ 61,295,371

Net assets with donor restrictions were released as follows at March 31:

	2021	2020
Program restriction:		
For allocations to United Way agencies	$ 155,817	$ 151,493
Other programs	18,345,948	9,041,703
	$ 18,501,765	$ 9,193,196
Appropriation in accordance with United Way's total return spending policy	$ 2,396,341	$ 2,422,543
Time restriction:		
For use as part of the current year annual campaign	$ 5,352,060	$ 5,427,368

17. ENDOWMENT

The United Way's endowment consists of numerous individual funds established over time for a variety of purposes. Its endowment includes both assets with donor restrictions and funds designated by the Board of Directors to function as quasi-endowments. The United Way's endowment was as follows for the years ended March 31:

	2021	2020
Endowment with donor restrictions	$ 78,206,622	$ 55,698,819
Quasi-endowment	$ 65,756,638	$ 46,656,562

Changes in the quasi-endowment net assets for the years ended March 31 were as follows:

	2021	2020
Quasi-endowment, beginning of year	$ 46,656,562	$ 54,855,006
New board designations	122,349	356,790
Appropriation in accordance with United Way's total return spending policy	(2,552,457)	(2,565,188)
Other appropriations	(146,314)	(225,338)
Investment return:		
Gains (losses) on investments	21,325,270	(6,513,288)
Interest income	351,228	748,580
Quasi-endowment, end of year	$ 65,756,638	$ 46,656,562

In July 2013, the Board of Directors updated the reserve fund policy to enable United Way of Greater Rochester to respond to unexpected programmatic and operational events and to initiate operational initiatives. The fund was established at a level approximately equal to three months of operating expense and Monroe County program funding and is recalculated and adjusted accordingly on an annual basis in October. The amount is approximately $4,900,000.

Changes in endowment net assets with donor restrictions for the year ended March 31 were as follows:

	2021	2020
Endowment with donor restrictions, beginning of year	$ 55,698,819	$ 65,539,147
Appropriation in accordance with United Way's total return spending policy	(2,396,341)	(2,422,543)
Contributions and other revenue	79,030	10,000
Release of donor-imposed restrictions	(651,507)	(612,260)
Investment return:		
Gains (losses) on investments	20,498,207	(14,955,624)
Interest income	4,978,414	8,140,099
Endowment with donor restrictions, end of year	$ 78,206,622	$ 55,698,819

17. ENDOWMENT (Continued)

Underwater Endowment Funds

The United Way considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instruments. The Organization has interpreted New York Prudent Management of Institutional Funds Act (NYPMIFA) to permit spending from underwater funds in accordance with the prudent measures required under law. There were no such underwater funds as of March 31, 2021 and 2020.

Return Objectives and Risk Parameters

The United Way has adopted investment and spending policies for endowment assets to attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under the investment policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is net of fees intended to exceed the price and yield results of the spending policy plus the rate of inflation as measured by the Consumer Price Index (over the long term) within a reasonable level of volatility.

Strategies Employed for Achieving Objectives

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.

Spending Policy and Related Investment Objectives

The United Way has adopted a total return spending policy, under which it appropriates a percentage of the average market value of investments at the end of the previous five years to help support its annual operating expenses. The current spending formula is 5% of the trailing twenty-quarter average market value.

The United Way has interpreted the applicable provisions of New York Not-for-Profit Corporation Law to mean that the classification of appreciation on permanently restricted endowment gifts, beyond the original gift amount, follows the donor’s restriction on the use of the related income (interest and dividends), and income is classified as temporarily restricted until appropriated by the Board for expenditure.

New York State law allows the Board of Directors to expend net appreciation of endowment investments and in certain circumstances the principal of the gift. The Board of Directors must consider the long and short-term needs of the United Way in carrying out its purposes, its present and anticipated financial requirements, expected total return on its investments, price level trends and general economic conditions when determining the amount to expend. The United Way believes that its total return spending policy meets New York State requirements.

18. RELATED PARTY

The United Way is related to United Way Services Corporation (UWSC) through certain common members of management and common board representation. The United Way provides management consulting and support services relating to internal financial controls, computer services and operational functions to UWSC. Reimbursement for such services was $8,557 and $9,511 in 2021 and 2020, respectively. In addition, United Way provides marketing services to UWSC. Payment for such services was $23,119 and $17,280 in 2021 and 2020, respectively.

19. COMMITMENTS AND CONTINGENCIES

Future Lease Payments

The United Way leases office space and office equipment under the terms of operating lease agreements. Rental expense for fiscal 2021 and 2020 was approximately $130,000 and $140,000, respectively. Minimum payments under these lease agreements are as follows for the years ending March 31:

2022	$	84,518
2023		14,597
2024		14,597
2025		11,763
2026 and after		-
	$	125,475

20. SUBSEQUENT EVENTS

Subsequent events have been evaluated through July 30, 2021 which is the date the consolidated financial statements were available to be issued.

Subsequent to year-end, the United Way entered into a borrowing arrangement with a bank in the amount of $5,000,000 in order to provide funding over the next 6-12 months for immediate community needs. Funds will be drawn down as needed, and monthly payments of interest will be made at a rate of 2.23%. The principal balance of the loan is due on the maturity date of June 29, 2031.

Effective May 2021, the United Way of Wayne County, Inc., the United Way of Ontario County, Inc., the Genesee Country United Way, the United Way of Livingston County, Inc., the United Way of Wyoming County, Inc., and United Way of Greater Rochester, Inc. entered into a merger whereby the surviving organization is the United Way of Greater Rochester, Inc. In connection with this merger, the name of the surviving organization was amended to be United Way of Greater Rochester and the Finger Lakes, Inc.