



United Way of Greenwich, Inc.

Financial Statements

June 30, 2019 and 2018



Independent Auditors' Report

The Board of Directors United Way of Greenwich, Inc.

We have audited the accompanying financial statements of United Way of Greenwich, Inc. (the "Agency") which comprise the statements of financial position as of June 30, 2019 and 2018 and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Greenwich, Inc. as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Adoption of New Accounting Guidance

As discussed in Note 2 of the financial statements, in 2018 United Way of Greenwich, Inc.. has adopted *ASU 2016-14 Presentation of Financial Statements for Not for Profit Entities*. Our opinion is not modified with respect to this matter.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information presented on page 18 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

PKF O'Connor Davies, LLP

Stamford, Connecticut
December 6, 2019

United Way of Greenwich, Inc.

Statements of Financial Position

	June 30,	
	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 1,492,861	\$ 1,380,413
Investments	3,078,633	2,957,042
Promises receivable, net	180,281	331,527
Other receivables and prepaid expenses	9,278	3,850
Property and equipment, net	<u>4,283</u>	<u>8,052</u>
	<u>\$ 4,765,336</u>	<u>\$ 4,680,884</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 122,365	\$ 56,115
Donor designations payable	<u>-</u>	<u>3,720</u>
Total Liabilities	<u>122,365</u>	<u>59,835</u>
Net Assets		
Without donor restrictions		
Undesignated	805,682	518,687
Board Designated	<u>3,058,927</u>	<u>2,930,154</u>
Total Without Donor Restrictions	3,864,609	3,448,841
With donor restrictions	<u>778,362</u>	<u>1,172,208</u>
Total Net Assets	<u>4,642,971</u>	<u>4,621,049</u>
	<u>\$ 4,765,336</u>	<u>\$ 4,680,884</u>

United Way of Greenwich, Inc.

Statements of Activities

	Year Ended June 30, 2019			Year Ended June 30, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE						
Campaign results, net	\$ 1,213,630	\$ -	\$ 1,213,630	\$ 1,372,541	\$ -	\$ 1,372,541
Direct impact contributions	-	130,290	130,290	-	608,210	608,210
Less donor designations	(150)	-	(150)	(75)	-	(75)
Less provision for uncollectible promises	<u>(45,462)</u>	<u>-</u>	<u>(45,462)</u>	<u>(44,221)</u>	<u>-</u>	<u>(44,221)</u>
Net Campaign Results	1,168,018	130,290	1,298,308	1,328,245	608,210	1,936,455
Bequests, other contributions and other income	21,904	-	21,904	288,843	-	288,843
In-kind contributions	63,000	-	63,000	60,000	-	60,000
Investment income appropriated for operations	82,250	-	82,250	82,250	-	82,250
Special events revenue, net of direct donor benefit of \$221,740 and \$116,869	<u>538,708</u>	<u>-</u>	<u>538,708</u>	<u>361,807</u>	<u>-</u>	<u>361,807</u>
	1,873,880	130,290	2,004,170	2,121,145	608,210	2,729,355
Net assets released from restrictions	<u>518,837</u>	<u>(518,837)</u>	<u>-</u>	<u>175,690</u>	<u>(175,690)</u>	<u>-</u>
Total Public Support and Revenue	<u>2,392,717</u>	<u>(388,547)</u>	<u>2,004,170</u>	<u>2,296,835</u>	<u>432,520</u>	<u>2,729,355</u>
EXPENSES						
Program						
Board allocations and grants	911,500	-	911,500	978,000	-	978,000
Community impact	274,236	-	274,236	285,780	-	285,780
Early Childhood Achievement Gaps Solutions	347,305	-	347,305	65,206	-	65,206
Youth Impact Programming	93,152	-	93,152	130,573	-	130,573
Human Services Technology Solutions	<u>78,390</u>	<u>-</u>	<u>78,390</u>	<u>34,719</u>	<u>-</u>	<u>34,719</u>
Total Program Expenses	<u>1,704,583</u>	<u>-</u>	<u>1,704,583</u>	<u>1,494,278</u>	<u>-</u>	<u>1,494,278</u>
Support Services						
Management and general	240,548	-	240,548	242,639	-	242,639
Fundraising	<u>180,177</u>	<u>-</u>	<u>180,177</u>	<u>182,421</u>	<u>-</u>	<u>182,421</u>
Total Support Services Expenses	<u>420,725</u>	<u>-</u>	<u>420,725</u>	<u>425,060</u>	<u>-</u>	<u>425,060</u>
Total Expenses	<u>2,125,308</u>	<u>-</u>	<u>2,125,308</u>	<u>1,919,338</u>	<u>-</u>	<u>1,919,338</u>
Excess (Deficiency) of Public Support and Revenue Over Expenses from Operations	267,409	(388,547)	(121,138)	377,497	432,520	810,017
OTHER CHANGES IN NET ASSETS						
Investment income, net of appropriations for operations	<u>148,359</u>	<u>(5,299)</u>	<u>143,060</u>	<u>87,574</u>	<u>3,826</u>	<u>91,400</u>
Change in Net Assets	415,768	(393,846)	21,922	465,071	436,346	901,417
NET ASSETS						
Beginning of year	<u>3,448,841</u>	<u>1,172,208</u>	<u>4,621,049</u>	<u>2,983,770</u>	<u>735,862</u>	<u>3,719,632</u>
End of year	<u>\$ 3,864,609</u>	<u>\$ 778,362</u>	<u>\$ 4,642,971</u>	<u>\$ 3,448,841</u>	<u>\$ 1,172,208</u>	<u>\$ 4,621,049</u>

See notes to financial statements

United Way of Greenwich, Inc.

Statements of Functional Expenses

Year Ended June 30, 2019

	Program Expenses					Management and General	Fund- raising	Total Expenses Before Direct Donor Benefits	Direct Donor Benefits	Total Expenses	
	Grants	Community Impact	Early Childhood Achievement Gaps Solution	Youth Impact Pro- gramming	Human Services Technology Solutions						Total
GRANTS											
Board approved grants	\$ 911,500	\$ -	\$ -	\$ -	\$ -	\$ 911,500	\$ -	\$ -	\$ 911,500	\$ -	\$ 911,500
Core services grants	-	-	-	-	-	-	-	-	-	-	-
Total Grants	<u>911,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>911,500</u>	<u>-</u>	<u>-</u>	<u>911,500</u>	<u>-</u>	<u>911,500</u>
OTHER EXPENSES											
Salaries and related expenses	-	217,001	117,054	66,943	54,134	455,132	102,090	105,703	662,925	-	662,925
Program supplies and expenses	-	1,429	18,545	5,943	7,236	33,153	79	-	33,232	-	33,232
Provider agency fees	-	-	180,623	-	-	180,623	-	-	180,623	-	180,623
Professional and consulting fees	-	2,586	2,584	2,584	2,584	10,338	105,211	30,093	145,642	-	145,642
Office supplies and expenses	-	4,604	2,553	2,574	1,172	10,903	1,456	2,262	14,621	-	14,621
Telephone	-	2,424	1,344	767	1,973	6,508	768	1,191	8,467	-	8,467
Postage and shipping	-	814	451	258	207	1,730	258	400	2,388	530	2,918
Occupancy costs and maintenance	-	23,874	13,237	7,556	6,075	50,742	7,555	11,727	70,024	-	70,024
Insurance	-	4,687	2,599	1,484	1,193	9,963	1,483	2,302	13,748	-	13,748
Supplies and printing	-	3,988	2,211	1,558	1,015	8,772	1,261	21,092	31,125	24,267	55,392
Conferences and meetings	-	1,940	66	38	30	2,074	38	59	2,171	-	2,171
State and national organization dues	-	-	-	-	-	-	16,899	-	16,899	-	16,899
Bank, credit card and brokerage fees	-	7,008	3,886	2,218	1,783	14,895	2,219	3,442	20,556	-	20,556
Catering and venue expenses	-	-	-	-	-	-	-	-	-	193,527	193,527
Other	-	2,596	1,439	822	661	5,518	825	1,275	7,618	3,416	11,034
Total Other Expenses	<u>-</u>	<u>272,951</u>	<u>346,592</u>	<u>92,745</u>	<u>78,063</u>	<u>790,351</u>	<u>240,142</u>	<u>179,546</u>	<u>1,210,039</u>	<u>221,740</u>	<u>1,431,779</u>
Total Expenses Before Depreciation	911,500	272,951	346,592	92,745	78,063	1,701,851	240,142	179,546	2,121,539	221,740	2,343,279
Depreciation	<u>-</u>	<u>1,285</u>	<u>713</u>	<u>407</u>	<u>327</u>	<u>2,732</u>	<u>406</u>	<u>631</u>	<u>3,769</u>	<u>-</u>	<u>3,769</u>
	911,500	274,236	347,305	93,152	78,390	1,704,583	240,548	180,177	2,125,308	221,740	2,347,048
Direct donor benefits	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(221,740)</u>	<u>(221,740)</u>
Total Expenses	<u>\$ 911,500</u>	<u>\$ 274,236</u>	<u>\$ 347,305</u>	<u>\$ 93,152</u>	<u>\$ 78,390</u>	<u>\$ 1,704,583</u>	<u>\$ 240,548</u>	<u>\$ 180,177</u>	<u>\$ 2,125,308</u>	<u>\$ -</u>	<u>\$ 2,125,308</u>

See notes to financial statements

United Way of Greenwich, Inc.

Statements of Functional Expenses

Year Ended June 30, 2018

	Program Expenses					Management and General	Fund- raising	Total Expenses Before Direct Donor Benefits	Direct Donor Benefits	Total Expenses	
	Grants	Community Impact	Early Childhood Achievement Gaps Solution	Youth Impact Pro- gramming	Human Services Technology Solutions						Total
GRANTS											
Board approved grants	\$ 975,000	\$ -	\$ -	\$ -	\$ -	\$ 975,000	\$ -	\$ -	\$ 975,000	\$ -	\$ 975,000
Core services grants	3,000	-	-	-	-	3,000	-	-	3,000	-	3,000
Total Grants	978,000	-	-	-	-	978,000	-	-	978,000	-	978,000
OTHER EXPENSES											
Salaries and related expenses	-	217,312	44,548	63,197	25,121	350,178	71,391	105,477	527,046	-	527,046
Program supplies and expenses	-	244	6,329	37,786	-	44,359	-	-	44,359	-	44,359
Professional and consulting fees	-	-	-	9,618	-	9,618	106,517	31,695	147,830	-	147,830
Office supplies and expenses	-	4,668	957	1,357	540	7,522	1,534	2,266	11,322	-	11,322
Telephone	-	2,972	609	864	1,532	5,977	976	1,443	8,396	-	8,396
Postage and shipping	-	1,404	288	408	162	2,262	461	681	3,404	1,496	4,900
Occupancy costs and maintenance	-	25,245	4,886	7,329	3,257	40,717	28,503	12,215	81,435	-	81,435
Insurance	-	5,192	1,064	1,510	600	8,366	1,706	2,520	12,592	-	12,592
Supplies and printing	-	13,535	3,269	4,233	1,745	22,782	4,447	18,727	45,956	8,334	54,290
Conferences and meetings	-	788	162	229	91	1,270	259	383	1,912	-	1,912
State and national organization dues	-	-	-	-	-	-	22,033	-	22,033	-	22,033
Bank, credit card and brokerage fees	-	5,653	1,165	1,625	657	9,100	1,931	2,758	13,789	-	13,789
Catering and venue expenses	-	-	-	-	-	-	-	-	-	96,554	96,554
Other	-	7,231	1,482	2,103	836	11,652	2,376	3,510	17,538	10,485	28,023
Total Other Expenses	-	284,244	64,759	130,259	34,541	513,803	242,134	181,675	937,612	116,869	1,054,481
Total Expenses Before Depreciation	978,000	284,244	64,759	130,259	34,541	1,491,803	242,134	181,675	1,915,612	116,869	2,032,481
Depreciation	-	1,536	447	314	178	2,475	505	746	3,726	-	3,726
Total Expenses Before Direct donor benefits	978,000	285,780	65,206	130,573	34,719	1,494,278	242,639	182,421	1,919,338	116,869	2,036,207
Direct donor benefits	-	-	-	-	-	-	-	-	-	(116,869)	(116,869)
Total Expenses	\$ 978,000	\$ 285,780	\$ 65,206	\$ 130,573	\$ 34,719	\$ 1,494,278	\$ 242,639	\$ 182,421	\$ 1,919,338	\$ -	\$ 1,919,338

See notes to financial statements

United Way of Greenwich, Inc.

Statements of Cash Flows

	Year Ended June 30,	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 21,922	\$ 901,417
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	3,769	3,726
Provision for uncollectible pledges receivable	(45,462)	(44,221)
Net gain on investments	(149,131)	(135,384)
Change in operating net assets and liabilities		
Promises receivable	196,708	36,355
Other receivables and prepaid expenses	(5,428)	5,439
Donor designations payable	(3,720)	1,730
Other payables and custodial funds	66,250	(5,765)
Net Cash from Operating Activities	84,908	763,297
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale and maturities of investments	1,216,630	644,127
Purchase of investments	(1,189,090)	(2,871,807)
Acquisitions of property and equipment	-	(11,778)
Net Cash from Investing Activities	27,540	(2,239,458)
Net Change in Cash and Cash Equivalents	112,448	(1,476,161)
CASH AND CASH EQUIVALENTS		
Beginning of year	1,380,413	2,856,574
End of year	\$ 1,492,861	\$ 1,380,413

United Way of Greenwich, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

1. Organization

The United Way of Greenwich, Inc. (the “Agency”) was formed in June of 1975 as a continuation of the Community Chest and Council, Inc. which was established in 1933. The Agency’s mission is to mobilize the community in strategic efforts to identify and address critical human service needs. The Agency achieves measurable and sustainable results through comprehensive planning, efficient fundraising and effective investment in the community.

The Agency has responsibility for soliciting, billing, and collecting all local donors’ accounts. Amounts collected on behalf of other not-for-profit agencies that have been designated by the Internal Revenue Service as exempt under Section 501(c)(3) are distributed as prescribed by the donor. In addition to soliciting and distributing contributions to direct service agencies, the Agency assesses and documents local needs for the benefit of the community, identifies service gaps, brings government and private agencies together to develop solutions and provides seed money for new initiatives that address critical local needs.

Specific initiatives of the Agency include:

Early Childhood Achievement Gap Solutions – introducing “Parents as Teachers” into the homes and the lives of high risk children aged 0 to 3 in Greenwich, and providing those children with access to intensified preschool experiences. This is a data driven, two-pronged approach with over 30 years of proven success in other communities. This program launched in fiscal 2018.

Youth Impact Programming – expands on the Agency’s successful Reading Champions and Junior United Way programs and meets the emerging needs of youth such as financial literacy and philanthropic education. This program launched in fiscal 2017.

Human Services Technology Solutions – brings “VisionLink” to Greenwich. This is a proven referral and common information technology platform for local case managers and social workers to more efficiently process and meet clients’ needs. This program launched in its pilot phase in fiscal 2019.

Fundraising initiatives for the above programs are discussed in Note 3.

Pursuant to a determination letter received from the Internal Revenue Service, the Agency is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

United Way of Greenwich, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

2. Summary of Significant Accounting Policies *(continued)*

Basis of Accounting (continued)

Basis of Accounting and Use of Estimates

The accompanying financial statements have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America ("U.S. GAAP") which 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 revenues and expenses during the reporting period. The most significant estimates and assumptions relate to the determination of the allowance for uncollectible pledges and the functional allocation of expenses. Actual results could differ from those estimates.

Change in Accounting Principle

In 2019, The Agency adopted Accounting Standards Update ("ASU") 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The Agency has adjusted the presentation of its financial statements accordingly, applying the changes retrospectively to the comparative period presented. The new standards change the following aspects of the Agency's financial statement.

- The temporarily restricted and permanently restricted net asset classes (as applicable) have been combined into a single net asset class called net assets with donor restrictions.
- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The financial statements include expanded disclosure regarding the functional allocation of expenses and a new disclosure about liquidity and availability of resources (Note 3).

Measure of Operations

The Agency's measure of operations includes all changes in net assets except for gains and losses from the disposition of property and equipment and investment income in excess of the amounts appropriated by the Board of Directors for use in the current period.

Cash and Cash Equivalents

The Agency considers all highly liquid debt instruments with a maturity of three months or less at the time of purchase, except for money market funds maintained in investment accounts, to be cash equivalents.

Allowance for Doubtful Promises Receivable

The Agency determines uncollectible unconditional promises receivable based on historical experience and management's analysis of specific promises made.

United Way of Greenwich, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

2. Summary of Significant Accounting Policies (*continued*)

Fair Value Measurements

The Agency follows U.S. GAAP on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Investments and Investment Income

Investments, consisting of mutual funds, are reported at fair value. Money market funds and other highly liquid investments with maturities of 90 days or less are reported at cost, which approximates market value. Securities are reported on a trade date basis. Realized and unrealized gains and losses are included in net investment return in the statement of activities.

Property and Equipment

Property and equipment are stated at cost of acquisition or appraised value at date of gift. Expenditures for property and equipment over \$5,000 are capitalized. Depreciation is calculated using the straight-line method over the estimated useful life of 3 to 10 years for furniture and equipment. Leasehold improvements are amortized over the shorter of the lease term or estimated life of the improvement.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

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 management for general operating purposes.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed or certain grantor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor.

United Way of Greenwich, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

2. Summary of Significant Accounting Policies (*continued*)

Public Support

Public support, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional; that is, at the time when the conditions on which they depend are substantially met. Unconditional promises to give which are due in future periods are reported at the present value of their net realizable value, using risk-adjusted interest rates applicable to the years in which the promises are first received. Contributions restricted by donors are reported as an increase in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increase in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Donated Materials, Services and Facilities

Donated materials, services and facilities that meet the requirements for recognition under U.S. GAAP are reflected as contributions in the accompanying statements at their estimated values at date of receipt. In addition, many individuals, corporations and organizations underwrite the cost of events, awards and special publicity by making donations. These amounts have been recorded in the financial statements at estimated fair value.

A substantial number of volunteers have donated considerable amounts of their time to the Agency's program and supporting services. No contributed services met the requirements for recognition in the financial statements for the years ended June 30, 2019 and 2018.

Functional Expenses

The Agency allocates its expenses on a functional basis among its program and support services. Expenses that can be specifically identified with a program or support service are allocated directly according to their natural classifications. Other expenses that are common to several functions are allocated based primarily on estimates of time spent by Agency employees on specific program and support services. The expenses that are allocated include salaries and related expenses, occupancy costs and maintenance, office supplies and expenses, telephone, postage and shipping, insurance and other. Direct donor benefits represent the direct expenses incurred in connection with special events.

Accounting for Uncertainty in Income Taxes

The Agency recognizes the effect of tax positions only if those positions are more likely than not to be sustained. Management has determined that the Agency had no uncertain tax positions that would require financial statement recognition or disclosure.

United Way of Greenwich, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

2. Summary of Significant Accounting Policies *(continued)*

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition through the date that the financial statements were available to be issued, which date is December 6, 2019.

3. Liquidity and Availability

The following reflects the Agency's available financial assets, reduced by amounts not available for general use within one year. Amounts not available for use within one year include financial assets received with donor restrictions that are designated for a specific purpose, timeline or contractual obligation, and have been earmarked as resources available for future years.

Total financial assets available to meet cash needs for general expenditure within one year at June 30, 2019, are as follows:

Cash and cash equivalents	\$ 1,492,861
Investments	3,078,633
Promises receivable within one year	174,819
Other receivables	<u>9,278</u>
Total financial assets available to management for general expenditure within one year	<u>4,755,591</u>
Less amounts unavailable for general expenditures within in one year due to Restricted by donors with purpose restrictions that are not expected to be met within one year	165,122
Board designated funds	<u>2,972,498</u>
	<u>3,137,620</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,617,971</u>

The principal source of liquidity is cash flow generated from contributions and grants from donors through the Agency's fundraising efforts. These fundraising efforts are expected to include a new campaign to support the recently launched and now on-going special initiatives described in Note 1. As part of the Agency's liquidity strategy, management structures its financial assets, consisting of cash, investments, and receivables, to be available as its general expenditures, liabilities and obligations come due within one year. Excess cash is maintained that can be drawn upon readily in the event of an unanticipated liquidity need. Board designated assets may be drawn upon for use only upon approval by the board (see Note 8).

United Way of Greenwich, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

4. Concentrations of Credit Risk

Financial instruments that potentially subject the Agency to significant concentrations of credit risk consist principally of promises receivable, cash and cash equivalent accounts in financial institutions, which may exceed the federal depository insurance coverage limit, and investments accounts held at brokerage firms. One bank held substantially all and approximately 88% of cash and cash equivalents at June 30, 2019 and 2018. Management believes it mitigates the Agency's risk by investing with reputable commercial institutions with satisfactory credit ratings. In addition, the Agency's donors and supported organizations are located in and around the Greenwich area, and therefore, the Agency may be subject to economic fluctuations in the area.

5. Promises Receivable

Donors to the Agency have made unconditional promises to give. The promises are collectible over a period of one to three years and the donors may make payments at any time during such period. Promises receivable at June 30 are summarized as follows:

	<u>2019</u>	<u>2018</u>
Local campaign receivables (currently due)	\$ 64,412	\$ 99,802
Other promises receivable		
Due in less than one year	156,333	241,039
Due in one to five years	10,000	41,550
Less unamortized discount on promises receivable	<u>(4,538)</u>	<u>(6,643)</u>
	226,207	375,748
Less reserve for doubtful campaign receivables	<u>(45,926)</u>	<u>(44,221)</u>
	<u>\$ 180,281</u>	<u>\$ 331,527</u>

6. Investments and Net Investment Return

The Agency utilizes a total return investment approach with its asset allocation diversified over multiple asset classes. Investments are managed by an independent fund manager under investment guidelines approved by the Board and overseen by the Finance Committee. The overall investment objective is to achieve a total return over the long-term sufficient to fund the spending rate and an additional amount as a hedge against inflation. These guidelines include ranges for amounts that may be invested in various asset classes as well as composite benchmarks for monitoring investment results.

United Way of Greenwich, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

6. Investments and Net Investment Return (continued)

Investments, classified according to the fair value hierarchy, consist of the following at June 30:

	<u>2019</u>	<u>2018</u>
Level 1		
Mutual funds		
Equity	\$ 878,505	\$ 703,614
Bonds	906,303	717,890
Diversified	-	41,940
Stocks	444,226	608,145
Exchange traded funds	334,461	324,015
U.S. Treasury obligations	-	345,837
Money market funds	<u>67,892</u>	<u>58,104</u>
Level 1 Total	2,631,387	2,799,545
Level 2		
Corporate bonds	94,642	157,497
Certificate of Deposit	<u>352,604</u>	<u>-</u>
Total Investments at Fair Value	<u>\$ 3,078,633</u>	<u>\$ 2,957,042</u>

There were no transfers between level 1 and 2 of the fair value hierarchy during the years ended June 30, 2019 and 2018.

Net investment return, including interest on cash and cash equivalents, consists of the following for the years ended June 30:

	<u>2019</u>	<u>2018</u>
Interest and dividend income	\$ 63,279	\$ 48,409
Realized gain	111,866	35,750
Unrealized appreciation	37,265	99,634
Investment expenses	<u>(15,157)</u>	<u>(10,729)</u>
	197,253	173,064
Interest on cash and cash equivalents	<u>28,057</u>	<u>586</u>
	<u>\$ 225,310</u>	<u>\$ 173,650</u>

United Way of Greenwich, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

7. Property and Equipment

Property and equipment consists of the following at June 30:

	<u>2019</u>	<u>2018</u>
Leashold improvements	\$ 6,480	\$ 6,480
Office furniture and equipment	<u>5,298</u>	<u>5,298</u>
	11,778	11,778
Less accumulated depreciation	<u>(7,495)</u>	<u>(3,726)</u>
	<u>\$ 4,283</u>	<u>\$ 8,052</u>

Donated Facilities

On May 24, 2017, the Agency entered into a non-cancelable operating lease agreement for approximately 2,200 square feet of office space. The lease, which does not require the payment of rent for the first two years, originally expired in July 2019 and was extended to July 2020. Annual rent of \$75,141 is due beginning in year three of the lease. The Agency is responsible for the cost of electricity at the rate of \$3 per square foot or \$6,831 per year.

The value of the donated rent, estimated to be \$63,000 and \$60,000, is included in the accompanying financial statements as an in-kind contribution and rent expense for the years ended June 30, 2019 and 2018.

8. Net Assets Without Donor Restrictions – Board Designated Funds

In November 2016, the Board adopted the Reserve Fund. The purposes of the Reserve Fund are (i) to permanently set aside the net sale proceeds of real property of its headquarters building, (ii) to minimize the possibility that the principal of such Fund will be diminished over time, (iii) to allow the total return of such fund to cover a portion of the operating expenses of the Agency and (iv) to provide resources to enhance the Agency's capacity to further its purposes. The Board adopted a total return spending rate policy which allows for an appropriation of up to 5% per year of the fair value of the Fund subject to a majority vote of the Board and a principal spending policy which allowed for any amount in excess of 5% per year subject to a 90% majority of the Board.

A Cash Flow Reserve Fund of net assets without donor restrictions not to exceed \$400,000 is maintained to meet contingencies and expenses when revenues are not sufficient. If funds are drawn down, they are to be replenished as soon as practical.

The Investment Fund contains certain net assets without donor restrictions, including planned gifts and assets received from sources other than the annual campaign. The purpose of the Fund is to ensure the future financial stability of the Agency and to earn income that can be used to fund certain of the Agency's functions.

United Way of Greenwich, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

8. Net Assets Without Donor Restrictions – Board Designated Funds (continued)

The purpose of the Joan Melber Warburg Fund is the enhancement of quality care in early childhood development and by providing staff development opportunities for early childhood professionals. Up to 5% of the value of the Warburg Fund may be withdrawn annually at the discretion of the President. As voted on by the Board of Directors in June of 2017, this Fund can be used to help support the Greenwich United Way Direct Impact programs at a future date

The purpose of the Diane Darst Fund is to encourage and enable non-profit organizations to engage in strategic planning that will improve the effectiveness of their operations.

The purpose of the Stuart Adelberg Fund is to sustain the Greenwich United Way's leadership role in the identification and documentation of community problems and participation in creative, collaborative and effective solutions. As voted on by the Board of Directors in June of 2017 this Fund can be used to help support the Greenwich United Way Direct Impact programs at a future date.

Changes in board designated funds for the year ended June 30, 2019 were as follows:

	June 30, 2018	Additions	Investment Income	Released	June 30, 2019
Reserve Fund	\$ 2,450,780	\$ -	\$ 202,416	\$ (82,250)	\$ 2,570,946
Cash Flow Reserve Fund	341,555	-	6,604	-	348,159
Investment Fund	37,113	-	706	-	37,819
Joan Melber Warburg Fund	60,804	-	1,157	-	61,961
Diane Darst Fund	7,352	-	140	-	7,492
Stuart Adelberg Fund	32,550	-	-	-	32,550
	<u>\$ 2,930,154</u>	<u>\$ -</u>	<u>\$ 211,023</u>	<u>\$ (82,250)</u>	<u>\$ 3,058,927</u>

9. Net Assets With Donor Restrictions

Net assets with donor restrictions as of June 30 consists of the following:

	2019	2018
Direct Impact Programs		
Early Childhood Achievement Gap Solutions	\$ 499,936	\$ 760,514
Youth Impact Programming	33,445	85,000
Human Services Technology Solutions	79,859	156,273
Mental health program	10,000	10,000
Held for long-term investment	<u>155,122</u>	<u>160,421</u>
	<u>\$ 778,362</u>	<u>\$ 1,172,208</u>

Funds held for long-term investment have a donor-imposed spending rate of up to 6% of the annual balance of the investments.

United Way of Greenwich, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

9. Net Assets With Donor Restrictions (continued)

Net assets released from restrictions during the year ended June 30 were as follows:

	<u>2019</u>	<u>2018</u>
Early Childhood Achievement Gap Solutions	\$ 347,305	\$ 106,358
Human Services Technology Solutions	93,152	37,394
Youth Impact Programming	<u>78,380</u>	<u>31,938</u>
Operational support	<u>\$ 518,837</u>	<u>\$ 175,690</u>

10. Support and Revenue

The results of the Agency's campaigns and special events for the years ended June 30 are as follows:

	<u>Fundraising Revenue</u>	<u>Donor Designations</u>	<u>Provisions for Uncollectible Promises</u>	<u>Total</u>
<u>2019</u>				
Local campaign	1,343,920	\$ (150)	\$ (45,462)	\$ 1,298,308
Other income and contributions	21,904	-	-	21,904
Special event revenue, net	<u>538,708</u>	<u>-</u>	<u>-</u>	<u>538,708</u>
	<u>\$ 1,904,532</u>	<u>\$ (150)</u>	<u>\$ (45,462)</u>	<u>\$ 1,858,920</u>
<u>2018</u>				
Local campaign	\$ 1,980,751	\$ (75)	\$ (44,221)	\$ 1,936,455
Other income and contributions	288,843	-	-	288,843
Special event revenue, net	<u>361,807</u>	<u>-</u>	<u>-</u>	<u>361,807</u>
	<u>\$ 2,631,401</u>	<u>\$ (75)</u>	<u>\$ (44,221)</u>	<u>\$ 2,587,105</u>

For the years ended June 30, 2019 and 2018, the Agency's ratio of Support Services Expenses to Fundraising Revenue was 22.1% and 16.2%, respectively.

11. Bequests, Other Contributions and Other income

Bequests, other contributions and other income for the year ended June 30 consists of the following:

	<u>2019</u>	<u>2018</u>
Bequests	\$ 13,704	\$ 263,493
Community Answers	8,200	15,350
Youth Impact	<u>-</u>	<u>10,000</u>
	<u>\$ 21,904</u>	<u>\$ 288,843</u>

United Way of Greenwich, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

12. Retirement Plan

The Agency has a defined contribution plan (the "Plan") covering all of its eligible employees. Discretionary contributions to the Plan are equal to 4% of each employee's basic compensation for all eligible employees employed more than one year. In addition, eligible employees may make voluntary contributions to the Plan. The Agency makes a fixed matching contribution on behalf of eligible participants who make Salary Deferrals under the Plan. The matching contribution is equal to 50% of salary deferrals up to 4% of employee's compensation. Employees reach 100% vesting after 4 years of service. Employer contributions charged to expense amounted to \$18,925 and \$16,787 for the years ended June 30, 2019 and 2018.

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United Way of Greenwich, Inc.

Supplemental Information

June 30, 2019 and 2018

United Way of Greenwich, Inc.

Schedule of Expenditures for Grants and Program Services

Year Ended June 30, 2019

(With Summarized Totals for June 30, 2018)

	<u>Program</u>	<u>Donor Designations</u>	<u>2019 Total</u>	<u>2018 Total</u>
FUNDED AGENCIES				
Abilis	\$ 65,000	\$ -	\$ 65,000	\$ 80,000
Boys and Girls Club of Greenwich	60,000	-	60,000	45,000
Child Guidance Center of Southern CT	100,000	-	100,000	90,000
Community Centers	50,000	-	50,000	95,000
Family Centers, Inc.	155,000	-	155,000	168,000
Food Bank of Lower Fairfield County, Inc.	13,000	-	13,000	17,000
Horizon	8,500	-	8,500	-
Jewish Family Services of Greenwich, CT	10,000	-	10,000	7,000
Kids in Crisis, Inc.	75,000	-	75,000	65,050
Laurel House	25,000	-	25,000	10,000
Liberation Programs, Inc.	41,000	-	41,000	45,000
Mothers for Others	3,000	-	3,000	-
Neighbor to Neighbor	25,000	-	25,000	20,000
Pacific House Shelter	15,000	-	15,000	35,000
Pathways, Inc.	10,000	-	10,000	45,000
River House	55,000	-	55,000	43,000
The Center for Sexual Assault Crisis	36,000	-	36,000	25,000
Transportation Association of Greenwich	45,000	-	45,000	50,000
YMCA of Greenwich	65,000	-	65,000	80,000
YWCA of Greenwich	<u>55,000</u>	<u>-</u>	<u>55,000</u>	<u>55,000</u>
Total Funded Agencies	<u>911,500</u>	<u>-</u>	<u>911,500</u>	<u>975,050</u>
CORE SERVICE AGENCIES				
Kids in Crisis, Inc.	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,000</u>
Total Core Service Agencies	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,000</u>
OTHER FUND RECIPIENTS				
Other non-profit agencies	<u>-</u>	<u>150</u>	<u>150</u>	<u>25</u>
Community Planning, Agency Relations, Community Impact	274,236	-	274,236	285,780
Direct Impact programming	<u>518,847</u>	<u>-</u>	<u>518,847</u>	<u>230,498</u>
Total Funds Invested in the Community	<u>\$ 1,704,583</u>	<u>\$ 150</u>	<u>\$ 1,704,733</u>	<u>\$ 1,494,353</u>