

United Way of Greenwich, Inc.

Financial Statements

June 30, 2020 and 2019

DRAFT
11-12-20

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. (a nonprofit organization) which comprise the statements of financial position as of June 30, 2020 and 2019 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, 2020 and 2019, 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.

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 19 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.

Stamford, Connecticut

Date

DRAFT
11-12-20

United Way of Greenwich, Inc.

Statements of Financial Position

	June 30,	
	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 1,931,370	\$ 1,492,861
Investments	2,995,662	2,923,511
Promises receivable, net	146,571	180,281
Other receivables and prepaid expenses	30,835	9,278
Investments restricted to long-term investment	110,854	155,122
Property and equipment, net	<u>4,853</u>	<u>4,283</u>
	<u>\$ 5,220,145</u>	<u>\$ 4,765,336</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 96,235	\$ 122,365
Donor designations payable	1,401	-
Refundable advances	229,081	-
Note payable	<u>111,428</u>	<u>-</u>
Total Liabilities	<u>438,145</u>	<u>122,365</u>
Net Assets		
Without Donor Restrictions		
Undesignated	594,714	555,682
Board designated	<u>3,383,147</u>	<u>3,308,927</u>
Total Without Donor Restrictions	3,977,861	3,864,609
With Donor Restrictions	<u>804,139</u>	<u>778,362</u>
Total Net Assets	<u>4,782,000</u>	<u>4,642,971</u>
	<u>\$ 5,220,145</u>	<u>\$ 4,765,336</u>

See notes to financial statements

United Way of Greenwich, Inc.

Statements of Activities

	Year Ended June 30, 2020			Year Ended June 30, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE						
Campaign results, net	\$ 1,391,745	\$ -	\$ 1,391,745	\$ 1,213,630	\$ -	\$ 1,213,630
Direct impact contributions	-	256,092	256,092	-	130,290	130,290
COVID relief contributions	-	879,516	879,516	-	-	-
Less donor designations	-	(80,000)	(80,000)	(150)	-	(150)
Less provision for uncollectible promises	(26,000)	-	(26,000)	(45,462)	-	(45,462)
Net Campaign Results	1,365,745	1,055,608	2,421,353	1,168,018	130,290	1,298,308
Bequests, other contributions and other income	34,049	-	34,049	21,904	-	21,904
In-kind contributions	-	-	-	63,000	-	63,000
Investment income appropriated for operations	86,429	-	86,429	82,250	-	82,250
Special events revenue, net of direct donor benefit of \$33,890 and \$221,740	112,009	-	112,009	538,708	-	538,708
	1,598,232	1,055,608	2,653,840	1,873,880	130,290	2,004,170
Net assets released from restrictions	985,563	(985,563)	-	518,837	(518,837)	-
Total Public Support and Revenue	2,583,795	70,045	2,653,840	2,392,717	(388,547)	2,004,170
EXPENSES						
Program Expenses						
Board allocations and grants	787,000	-	787,000	911,500	-	911,500
Community impact	369,015	-	369,015	274,236	-	274,236
Early Childhood Achievement Gaps Solutions	359,991	-	359,991	347,305	-	347,305
Youth Impact Programming	97,931	-	97,931	93,152	-	93,152
Human Services Technology Solutions	86,422	-	86,422	78,390	-	78,390
COVID Relief	443,147	-	443,147	-	-	-
Total Program Expenses	2,143,506	-	2,143,506	1,704,583	-	1,704,583
Support Services						
Management and general	267,954	-	267,954	240,548	-	240,548
Fundraising	153,954	-	153,954	180,177	-	180,177
Total Support Services Expenses	421,908	-	421,908	420,725	-	420,725
Total Expenses	2,565,414	-	2,565,414	2,125,308	-	2,125,308
Excess (Deficiency) of Public Support and Revenue Over Expenses from Operations	18,381	70,045	88,426	267,409	(388,547)	(121,138)
OTHER CHANGES IN NET ASSETS						
Investment income, net of appropriations for operations	94,871	(44,268)	50,603	148,359	(5,299)	143,060
Change in Net Assets	113,252	25,777	139,029	415,768	(393,846)	21,922
NET ASSETS						
Beginning of year	3,864,609	778,362	4,642,971	3,448,841	1,172,208	4,621,049
End of year	\$ 3,977,861	\$ 804,139	\$ 4,782,000	\$ 3,864,609	\$ 778,362	\$ 4,642,971

United Way of Greenwich, Inc.

Statement of Functional Expenses

Year Ended June 30, 2020

	Program Expenses						Management and General	Fund- raising	Total Expenses Before Direct Donor Benefits	Direct Donor Benefits	Total Expenses	
	Board Allocations and Grants	Community Impact	Early Childhood Achievement Gaps Solution	Youth Impact Pro- gramming	Human Services Technology Solutions	COVID Relief						Total
GRANTS												
Board approved grants	\$ 785,500	\$ -	\$ -	\$ -	\$ -	\$ 395,264	\$ 1,180,764	\$ -	\$ -	\$ 1,180,764	\$ -	\$ 1,180,764
Core services grants	1,500	-	-	-	-	-	1,500	-	-	1,500	-	1,500
Total Grants	787,000	-	-	-	-	395,264	1,182,264	-	-	1,182,264	-	1,182,264
OTHER EXPENSES												
Salaries and related expenses	-	239,136	139,966	72,264	59,824	38,016	549,206	124,036	83,149	756,391	-	756,391
Program supplies and expenses	-	57,400	24,050	4,720	10,170	-	96,340	-	-	96,340	-	96,340
Fees for service	-	-	161,400	-	-	-	161,400	-	-	161,400	-	161,400
Professional and consulting fees	-	5,541	3,085	1,720	1,337	881	12,564	111,661	33,246	157,471	-	157,471
Office supplies and expenses	-	3,763	2,095	2,840	908	598	10,204	959	1,314	12,477	-	12,477
Telephone	-	2,678	1,491	831	2,095	426	7,521	684	935	9,140	-	9,140
Postage and shipping	-	810	451	251	195	129	1,836	207	283	2,326	1,608	3,934
Occupancy costs and maintenance	-	29,762	16,572	9,239	7,179	4,729	67,481	7,588	10,394	85,463	-	85,463
Insurance	-	5,073	2,825	1,575	1,224	806	11,503	1,293	1,772	14,568	-	14,568
Supplies and printing	-	4,046	2,163	1,206	937	617	8,969	989	18,552	28,510	-	28,510
Conferences and meetings	-	10,283	33	18	14	9	10,357	15	21	10,393	-	10,393
State and national organization dues	-	-	-	-	-	-	-	17,842	-	17,842	-	17,842
Bank, credit card and brokerage fees	-	8,096	4,508	2,513	1,953	1,287	18,357	2,065	3,440	23,862	-	23,862
Catering and venue expenses	-	-	-	-	-	-	-	-	-	-	26,127	26,127
Other	-	2,192	1,221	681	529	348	4,971	556	766	6,293	6,155	12,448
Total Other Expenses	-	368,780	359,860	97,858	86,365	443,110	912,863	267,895	153,872	1,334,630	33,890	1,368,520
Total Expenses Before Depreciation	787,000	368,780	359,860	97,858	86,365	443,110	2,142,973	267,895	153,872	2,564,740	33,890	2,598,630
Depreciation	-	235	131	73	57	37	533	59	82	674	-	674
Direct donor benefits	787,000	369,015	359,991	97,931	86,422	443,147	2,143,506	267,954	153,954	2,565,414	33,890	2,599,304
	-	-	-	-	-	-	-	-	-	-	(33,890)	(33,890)
Total Expenses	\$ 787,000	\$ 369,015	\$ 359,991	\$ 97,931	\$ 86,422	\$ 443,147	\$ 2,143,506	\$ 267,954	\$ 153,954	\$ 2,565,414	\$ -	\$ 2,565,414

United Way of Greenwich, Inc.

Statement of Functional Expenses

Year Ended June 30, 2019

	Program Expenses						Management and General	Fund- raising	Total Expenses		
	Board Allocations and Grants	Community Impact	Early Childhood Achievement Gaps Solution	Youth Impact Pro- gramming	Human Services Technology Solutions	Total			Before Direct Donor Benefits	Direct Donor Benefits	Total Expenses
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
Fees for service	-	-	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 and Amortization	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 and amortization	-	1,285	713	407	327	2,732	406	631	3,769	-	3,769
Direct donor benefits	-	274,236	347,305	93,152	78,390	1,704,583	240,548	180,177	2,125,308	221,740	2,347,048
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 Cash Flows

	Years Ended June 30,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 139,029	\$ 21,922
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	675	3,769
Provision for uncollectible promises receivable	(26,000)	(45,462)
Net gain on investments	(65,096)	(149,131)
Change in operating net assets and liabilities		
Promises receivable	59,710	196,708
Other receivables and prepaid expenses	(21,557)	(5,428)
Donor designations payable	1,401	(3,720)
Refundable advances	229,081	-
Accounts payables and accrued expenses	(26,130)	66,250
Net Cash from Operating Activities	291,113	84,908
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale and maturities of investments	296,439	1,216,630
Purchase of investments	(259,226)	(1,189,090)
Purchases of property and equipment	(1,245)	-
Net Cash from Investing Activities	35,968	27,540
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from note payable	111,428	-
Net Change in Cash and Cash Equivalents	438,509	112,448
CASH AND CASH EQUIVALENTS		
Beginning of year	1,492,861	1,380,413
End of year	\$ 1,931,370	\$ 1,492,861

See notes to financial statements

United Way of Greenwich, Inc.

Notes to Financial Statements
June 30, 2020 and 2019

1. Organization

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

The Organization 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 Organization 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 Organization (also referred to as the *direct impact* initiatives) 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.

Youth Impact Programming – expands on the Organization's successful Reading Champions and Junior United Way programs and meets the emerging needs of youth such as financial literacy and philanthropic education.

Human Services Technology Solutions – Human Services Technology Solutions – known as Greenwich Resource Network was a pilot program at Community Centers Inc. utilizing the VisionLink platform. The objective was to bring a referral and client management system to local case managers and social workers to more efficiently process and meet client needs. The pilot with Community Centers, Inc. ended on June 30, 2020, although the information and referral database remains live on the Organization's website, requiring limited ongoing organizational and financial support.

Also, in response to the COVID-19 pandemic the Organization established the Greenwich COVID-19 Community Relief Fund to be used for the relief of economic hardship due to the COVID-19 crisis to agencies located in Greenwich providing aid, assistance and relief to Greenwich residents. For more information please see note 10.

Pursuant to a determination letter received from the Internal Revenue Service, the Organization 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, 2020 and 2019

2. Summary of Significant Accounting Policies

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.

Adoption of Contribution Pronouncement

Effective July 1, 2019, the Organization adopted Accounting Standards Update 2018-08, *Clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made*. This guidance provides a framework for evaluating whether grants and contributions should be accounted for as exchange transactions or as nonexchange transactions. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes contributions, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis.

Measure of Operations

The Organization'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 (the "Board") for use in the current period.

Cash and Cash Equivalents

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

Fair Value Measurements

The Organization 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.

United Way of Greenwich, Inc.

Notes to Financial Statements
June 30, 2020 and 2019

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

Investments and Investment Income

Investments are reported at fair value. The reported fair value of common stocks, mutual funds, exchange traded funds, corporate bonds and certificates of deposit is based on quoted market prices and other similar inputs. 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 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.

Public Support

Public support, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized and are reflected as refundable advances on the statements of financial position 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 increases 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 statements of activities as net assets released from restrictions.

United Way of Greenwich, Inc.

Notes to Financial Statements
June 30, 2020 and 2019

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

Public Support (*continued*)

Refundable advances at June 30, 2020 represent receipts for two fundraising events (conditional promises and unearned revenue) that were postponed due to the COVID-19 pandemic. These events took place subsequent to June 30, 2020, at which time the related support and revenue was recognized.

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 Organization's program and supporting services. No contributed services met the requirements for recognition in the financial statements for the years ended June 30, 2020 and 2019.

Functional Expenses

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

Reclassifications

Certain of the 2019 amounts have been reclassified to conform with the current year presentation. These reclassifications are not significant.

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 **Date**.

United Way of Greenwich, Inc.

Notes to Financial Statements
June 30, 2020 and 2019

3. Liquidity and Availability

The following reflects the Organization'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 are as follows at June 30:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 1,931,370	\$ 1,492,861
Investments	3,106,516	3,078,633
Promises receivable within one year	<u>146,571</u>	<u>174,819</u>
Total Financial Assets Available to Management for General Expenditure Within One Year	<u>5,184,457</u>	<u>4,746,313</u>
Less Amounts Unavailable for General Expenditures Within One Year Due to:		
Donor imposed purpose restrictions that are not expected to be met within one year	110,854	320,244
Board designated funds, net of amounts appropriated for operations through the budgeting process	<u>3,296,718</u>	<u>2,972,498</u>
	<u>3,407,572</u>	<u>3,292,742</u>
Total Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 1,776,885</u>	<u>\$ 1,453,571</u>

The principal source of liquidity is cash flow generated from contributions and grants from donors through the Organization'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 Organization'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 9).

United Way of Greenwich, Inc.

Notes to Financial Statements
June 30, 2020 and 2019

4. Concentrations of Credit Risk

Financial instruments that potentially subject the Organization 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, 2020 and 2019. Management believes it mitigates the Organization's risk by investing with reputable commercial institutions with satisfactory credit ratings. In addition, the Organization's donors and supported organizations are located in and around the Greenwich area, and therefore, the Organization may be subject to economic fluctuations in the area.

5. Promises Receivable

Donors to the Organization 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>2020</u>	<u>2019</u>
Local campaign receivables (currently due)	\$ 71,556	\$ 64,412
Other promises receivable		
Due in less than one year	124,833	156,333
Due in one to five years	-	10,000
Less unamortized discount on promises receivable	-	<u>(4,538)</u>
	196,389	226,207
Less reserve for doubtful promises receivables	<u>(49,818)</u>	<u>(45,926)</u>
	<u>\$ 146,571</u>	<u>\$ 180,281</u>

6. Investments and Net Investment Return

The Organization 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 Reserve Fund 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 (see Note 9). 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, 2020 and 2019

6. Investments and Net Investment Return (continued)

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

	<u>2020</u>	<u>2019</u>
Level 1		
Mutual Funds		
Equity	\$ 700,051	\$ 878,505
Bonds	1,020,390	906,303
Stocks	386,311	444,226
Exchange traded funds	549,789	334,461
Money market funds	<u>89,475</u>	<u>67,892</u>
Total Level 1	<u>2,746,016</u>	<u>2,631,387</u>
Level 2		
Corporate Bonds	-	94,642
Certificate of Deposit	<u>360,500</u>	<u>352,604</u>
Total Level 2	<u>360,500</u>	<u>447,246</u>
Total Investments at Fair Value	<u>\$ 3,106,516</u>	<u>\$ 3,078,633</u>

There were no transfers between level 1 and 2 of the fair value hierarchy during the years ended June 30, 2020 and 2019.

Investments include one fund held for longterm investment with a balance of \$110,854 and \$155,122 at June 30, 2020 and 2019 for which investment decisions are subject to donor approval (see Note 10).

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

	<u>2020</u>	<u>2019</u>
Interest and dividend income	\$ 56,284	\$ 63,279
Realized gain	20,088	111,866
Unrealized appreciation	45,008	37,265
Investment expenses	<u>(14,976)</u>	<u>(15,157)</u>
	106,404	197,253
Interest on cash and cash equivalents	<u>30,628</u>	<u>28,057</u>
	<u>\$ 137,032</u>	<u>\$ 225,310</u>

United Way of Greenwich, Inc.

Notes to Financial Statements
June 30, 2020 and 2019

7. Property, Equipment and Leases

Property and equipment consists of the following at June 30:

	<u>2020</u>	<u>2019</u>
Leashold improvements	\$ 6,480	\$ 6,480
Office furniture and equipment	<u>6,543</u>	<u>5,298</u>
	13,023	11,778
Less accumulated depreciation	<u>(8,170)</u>	<u>(7,495)</u>
	<u>\$ 4,853</u>	<u>\$ 4,283</u>

Leased Facilities

On May 24, 2017, the Organization 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 December 31, 2020 and continues on a month-to-month basis thereafter. Annual rent of \$75,141 is due beginning in year three of the lease. The Organization 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, is included in the accompanying financial statements as an in-kind contribution and rent expense for the years ended June 30, 2019. Rent expense for the year ended June 30, 2020 was \$84,250.

8. Note payable

On April 22, 2020, the Organization received loan proceeds in the amount of \$111,428 under the Paycheck Protection Program loan (the "PPP Loan"). The PPP Loan, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying entities for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying entity. The PPP loan bears an interest rate of 1% per annum. All or a portion of the PPP loan principal and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, as described in the CARES Act, over a period of either eight or twenty-four weeks (the "Covered Period"). The amount of loan forgiveness could be reduced if the borrower terminates employees or reduces salaries above a certain threshold during the Covered Period and does not qualify for certain safe harbors. Although the Organization believes this loan will be substantially or fully forgiven, there can be no guarantee that the United States Small Business Administration ("SBA") will approve the loan forgiveness. The unforgiven portion of the PPP Loan, if any, is payable within two years from the date of the PPP loan with a deferral of payments of principal and interest until the amount of loan forgiveness is determined by the SBA. If the Organization does not apply for forgiveness, payments begin approximately 16 months after the loan date. As of June 30, 2020, the PPP loan is recognized as a debt on the statement of financial position. The Organization will recognize the income from the forgiveness of the PPP loan when it receives the notification of forgiveness from SBA in accordance with Accounting Standards Codification 470 Debt.

United Way of Greenwich, Inc.

Notes to Financial Statements
June 30, 2020 and 2019

9. Net Assets Without Donor Restrictions – Board Designated Funds

Changes in board designated funds for the year ended June 30, 2020 were as follows:

	June 30, 2019	Additions	Investment Income	Released	June 30, 2020
Reserve Fund	\$ 2,820,946	\$ -	\$ 150,684	\$ (86,429)	\$ 2,885,201
Cash Flow Reserve Fund	348,159	-	7,897	-	356,056
Investment Fund	37,819	-	729	-	38,548
Joan Melber Warburg Fund	61,961	-	1,195	-	63,156
Diane Darst Fund	7,492	-	144	-	7,636
Stuart Adelberg Fund	32,550	-	-	-	32,550
	<u>\$ 3,308,927</u>	<u>\$ -</u>	<u>\$ 160,649</u>	<u>\$ (86,429)</u>	<u>\$ 3,383,147</u>

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 Organization and (iv) to provide resources to enhance the Organization'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 allows 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 Organization and to earn income that can be used to fund certain of the Organization's functions.

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.

United Way of Greenwich, Inc.

Notes to Financial Statements
June 30, 2020 and 2019

10. Net Assets With Donor Restrictions

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

	<u>2020</u>	<u>2019</u>
Direct Impact Programs		
Early Childhood Achievement Gap Solutions	\$ 245,810	\$ 499,936
Youth Impact Programming	81,106	33,445
Human Services Technology Solutions	-	79,859
Greenwich COVID-19 Community Relief Fund	356,369	-
Mental health program	10,000	10,000
Held for long-term investment	<u>110,854</u>	<u>155,122</u>
	<u>\$ 804,139</u>	<u>\$ 778,362</u>

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

The Greenwich COVID-19 Community Relief Fund (COVID-19 Relief Fund) was established in 2020 to be used for the relief of economic hardship due to the COVID-19 crisis to agencies located in Greenwich providing aid, assistance and relief to Greenwich residents. The new fund will rapidly deploy resources to trusted, front line community organizations that meet the basic needs of Greenwich. This includes low-income individuals without health insurance and/or access to sick days; immigrants; persons with disabilities; among others. The COVID-19 Relief Fund's purpose is to help alleviate the social and economic consequences of this global pandemic and to prevent the widening of disparities in education, employment, housing, and health. The COVID-19 Relief Fund will be managed much the same way as the current Community Investment Process (the Organization's Grant process that evaluates, recommends and approves grants to fund local nonprofit programs that are in line with the Organization's Vision and Mission). The Organization's Grants Committee will be reviewing applications on a rolling basis to ensure funds are released to community organizations as the needs arise.

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

	<u>2020</u>	<u>2019</u>
Early Childhood Achievement Gap Solutions	\$ 358,626	\$ 347,305
Human Services Technology Solutions	85,859	93,152
Youth Impact Programming	97,931	78,380
COVID Relief	<u>443,147</u>	<u>-</u>
Operational support	<u>\$ 985,563</u>	<u>\$ 518,837</u>

United Way of Greenwich, Inc.

Notes to Financial Statements
June 30, 2020 and 2019

11. Support and Revenue

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

	Fundraising Revenue	Donor Designations	Provisions for Uncollectible Promises	Total
<u>2020</u>				
Local campaign	\$ 2,527,353	\$ (80,000)	\$ (26,000)	\$ 2,421,353
Bequests, other income and contributions	34,049	-	-	34,049
Special event revenue, net	<u>112,009</u>	<u>-</u>	<u>-</u>	<u>112,009</u>
	<u>\$ 2,673,411</u>	<u>\$ (80,000)</u>	<u>\$ (26,000)</u>	<u>\$ 2,567,411</u>
<u>2019</u>				
Local campaign	\$ 1,343,920	\$ (150)	\$ (45,462)	\$ 1,298,308
Bequests, 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>

For the years ended June 30, 2020 and 2019, the Organization's ratio of Support Services Expenses to Fundraising Revenue was 15.7% and 22.1%, respectively.

Two fundraising events were postponed due to the COVID-19 pandemic. These events took place subsequent to June 30, 2020, at which time the related support and revenue was recognized.

12. Bequests, Other Contributions and Other income

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

	<u>2020</u>	<u>2019</u>
Bequests	\$ 34,049	\$ 13,704
Community Answers	<u>-</u>	<u>8,200</u>
	<u>\$ 34,049</u>	<u>\$ 21,904</u>

United Way of Greenwich, Inc.

Notes to Financial Statements
June 30, 2020 and 2019

13. Retirement Plan

The Organization 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 Organization 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 \$29,190 and \$18,925 for the years ended June 30, 2020 and 2019.

14. COVID-19 Pandemic

The Organization's operations and financial performance may be affected by the continuing COVID-19 pandemic that has adversely affected economic conditions throughout the world. If the outbreak continues or conditions worsen, it is not known how the pandemic will affect the Organization's activities and financial condition. In particular, the global financial markets have experienced significant volatility. Because the value of the Organization's investments has and will continue to fluctuate in response to changing market conditions, the impact on the Organization's investment portfolio cannot be determined.

United Way of Greenwich, Inc.

Supplemental Information

June 30, 2020 and 2019

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United Way of Greenwich, Inc.

Schedule of Expenditures for Grants and Program Services

Year Ended June 30, 2020

(With Summarized Totals for June 30, 2019)

	<u>Program</u>	<u>COVID-19 Relief Fund</u>	<u>2020 Total</u>	<u>2019 Total</u>
FUNDED AGENCIES				
Abilis	\$ 60,000	\$ 12,500	\$ 72,500	\$ 65,000
Boys and Girls Club of Greenwich	45,000	36,500	81,500	60,000
Building One Community	15,000	16,400	31,400	-
Caritas	-	9,000	9,000	-
Child Guidance Center of Southern CT	110,000	-	110,000	100,000
Community Centers	25,000	15,000	40,000	50,000
Family Centers, Inc.	175,000	50,000	225,000	155,000
Filling in the Blanks	5,000	8,900	13,900	-
Food Bank of Lower Fairfield County, Inc.	10,000	-	10,000	13,000
Food Rescue US	-	40,000	40,000	-
Horizon	10,000	-	10,000	8,500
Jewish Family Services of Greenwich, CT	8,000	19,111	27,111	10,000
Kids in Crisis, Inc.	45,000	10,000	55,000	75,000
Laurel House	10,000	-	10,000	25,000
Liberation Programs, Inc.	30,000	-	30,000	41,000
Mothers for Others	-	-	-	3,000
Meals on Wheels	-	3,500	3,500	-
Neighbor to Neighbor	40,000	50,000	90,000	25,000
Pacific House Shelter	10,000	-	10,000	15,000
Pathways, Inc.	20,000	32,803	52,803	10,000
River House	35,000	15,000	50,000	55,000
The Center for Sexual Assault Crisis	25,000	-	25,000	36,000
The Friends of Nathaniel Witherell	-	2,300	2,300	-
Transportation Association of Greenwich	20,000	21,250	41,250	45,000
YMCA of Greenwich	32,500	-	32,500	65,000
YWCA of Greenwich	55,000	53,000	108,000	55,000
	<u>785,500</u>	<u>395,264</u>	<u>1,180,764</u>	<u>911,500</u>
TOTAL FUNDED AGENCIES				
CORE SERVICE AGENCIES				
Kids in Crisis, Inc.	1,500	-	1,500	-
	<u>1,500</u>	<u>-</u>	<u>1,500</u>	<u>-</u>
TOTAL CORE SERVICE AGENCIES				
DONOR DESIGNATED RECIPIENTS *				
Abilis	-	5,000	5,000	-
Greenwich Fire Department	-	30,730	30,730	-
GEMS	-	21,103	21,103	-
Greenwich Police	-	23,167	23,167	-
	<u>-</u>	<u>80,000</u>	<u>80,000</u>	<u>-</u>
TOTAL DONOR DESIGNATED RECIPIENTS				
OTHER FUND RECIPIENTS				
Other non-profit agencies	-	-	-	150
Community Planning, Agency Relations,				
Community Impact	369,015	47,883	416,898	274,236
Direct Impact programming	544,344	-	544,344	518,847
	<u>913,359</u>	<u>47,883</u>	<u>961,242</u>	<u>793,083</u>
Total Funds Invested in the Community	<u>\$ 1,700,359</u>	<u>\$ 523,147</u>	<u>\$ 2,223,506</u>	<u>\$ 1,704,733</u>

* Contributions received on behalf of specific donor designated organizations are offset against campaign support in the statement of activities.