

United Way of Greenwich, Inc.

Financial Statements

June 30, 2022 and 2021

Independent Auditors' Report

**The Board of Directors
United Way of Greenwich, Inc.**

Opinion

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, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Greenwich, Inc. as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

**The Board of Directors
United Way of Greenwich, Inc.
Page 2**

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

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 20 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
November 16, 2022

United Way of Greenwich, Inc.

Statements of Financial Position

	June 30,	
	2022	2021
ASSETS		
Cash and cash equivalents	\$ 2,178,452	\$ 2,189,797
Investments	2,661,114	3,193,968
Promises receivable, net	110,628	241,330
Other receivables and prepaid expenses	14,377	13,762
Investments restricted to long-term investment	117,623	147,811
Property and equipment, net	3,283	4,074
Other assets	7,917	-
	<u>\$ 5,093,394</u>	<u>\$ 5,790,742</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 140,096	\$ 112,536
Refundable advances	- <hr/>	17,475 <hr/>
Total Liabilities	<u>140,096</u>	<u>130,011</u>
Net Assets		
Without Donor Restrictions		
Undesignated	1,130,222	994,372
Board designated	3,413,352	3,945,803
Total Without Donor Restrictions	<u>4,543,574</u>	<u>4,940,175</u>
With Donor Restrictions	<u>409,724</u>	<u>720,556</u>
Total Net Assets	<u>4,953,298</u>	<u>5,660,731</u>
	<u>\$ 5,093,394</u>	<u>\$ 5,790,742</u>

United Way of Greenwich, Inc.

Statements of Activities

	Year Ended June 30, 2022			Year Ended June 30, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE						
Campaign results, net	\$ 1,226,638	\$ -	\$ 1,226,638	\$ 1,281,348	\$ -	\$ 1,281,348
Direct Impact contributions	39,485	158,731	198,216	250,953	572,746	823,699
COVID relief contributions	-	-	-	7,802	-	7,802
Campaign - gift in-kind	53,900	-	53,900	-	-	-
Less provision for uncollectible promises	(69,634)	-	(69,634)	(6,126)	-	(6,126)
Net Campaign Results	1,250,389	158,731	1,409,120	1,533,977	572,746	2,106,723
Bequests, other contributions and other income	37,973	-	37,973	14,331	-	14,331
Investment income appropriated for operations	109,837	-	109,837	90,065	-	90,065
Special events revenue, net of direct donor benefit of \$151,174 and \$170,190	303,149	-	303,149	381,819	-	381,819
Net assets released from restrictions	1,701,348	158,731	1,860,079	2,020,192	572,746	2,592,938
Total Public Support and Revenue	439,376	(439,376)	-	693,285	(693,285)	-
	<u>2,140,724</u>	<u>(280,645)</u>	<u>1,860,079</u>	<u>2,713,477</u>	<u>(120,539)</u>	<u>2,592,938</u>
EXPENSES						
Program Expenses						
Board allocations and grants	670,287	-	670,287	767,653	-	767,653
Community impact	393,669	-	393,669	355,826	-	355,826
Early Childhood Achievement Gap Solutions	439,376	-	439,376	431,973	-	431,973
Youth Impact Programming	123,149	-	123,149	105,681	-	105,681
Human Services Technology Solutions	2,149	-	2,149	3,315	-	3,315
COVID Relief	-	-	-	370,019	-	370,019
Total Program Expenses	<u>1,628,630</u>	<u>-</u>	<u>1,628,630</u>	<u>2,034,467</u>	<u>-</u>	<u>2,034,467</u>
Support Services						
Management and general	220,401	-	220,401	228,513	-	228,513
Fundraising	156,703	-	156,703	165,318	-	165,318
Total Support Services Expenses	<u>377,104</u>	<u>-</u>	<u>377,104</u>	<u>393,831</u>	<u>-</u>	<u>393,831</u>
Total Expenses	<u>2,005,734</u>	<u>-</u>	<u>2,005,734</u>	<u>2,428,298</u>	<u>-</u>	<u>2,428,298</u>
Excess (Deficiency) of Public Support and Revenue Over Expenses from Operations	134,990	(280,645)	(145,655)	285,179	(120,539)	164,640
OTHER CHANGES IN NET ASSETS						
Paycheck Protection Program loan forgiveness	-	-	-	111,428	-	111,428
Investment income, net of appropriations for operations	(531,591)	(30,187)	(561,778)	565,707	36,956	602,663
Total Other Changes in Net Assets	<u>(531,591)</u>	<u>(30,187)</u>	<u>(561,778)</u>	<u>677,135</u>	<u>36,956</u>	<u>714,091</u>
Change in Net Assets	(396,601)	(310,832)	(707,433)	962,314	(83,583)	878,731
NET ASSETS						
Beginning of year	<u>4,940,175</u>	<u>720,556</u>	<u>5,660,731</u>	<u>3,977,861</u>	<u>804,139</u>	<u>4,782,000</u>
End of year	<u>\$ 4,543,574</u>	<u>\$ 409,724</u>	<u>\$ 4,953,298</u>	<u>\$ 4,940,175</u>	<u>\$ 720,556</u>	<u>\$ 5,660,731</u>

See notes to financial statements

United Way of Greenwich, Inc.

Statement of Functional Expenses

Year Ended June 30, 2022

	Program Expenses						Management and General	Fund- raising	Total Expenses		
	Board Allocations and Grants	Community Impact	Early Childhood Achievement Gap Solutions	Youth Impact Pro- gramming	Human Services Technology Solutions	Total			Before Direct Donor Benefits	Direct Donor Benefits	Total Expenses
GRANTS											
Board approved grants	\$ 670,287	\$ -	\$ -	\$ -	\$ -	\$ 670,287	\$ -	\$ -	\$ 670,287	\$ -	\$ 670,287
Core services grants	-	-	-	-	-	-	-	-	-	-	-
Total Grants	670,287	-	-	-	-	670,287	-	-	670,287	-	670,287
OTHER EXPENSES											
Salaries and related expenses	-	302,075	155,873	88,456	-	546,404	74,769	85,132	706,305	-	706,305
Program supplies and expenses	-	-	74,037	4,993	2,149	81,179	144	-	81,323	-	81,323
Fees for service	-	-	161,400	-	-	161,400	-	-	161,400	-	161,400
Professional and consulting fees	-	4,689	4,688	4,688	-	14,065	111,987	29,030	155,082	-	155,082
Office supplies and expenses	-	5,915	3,022	1,808	-	10,745	823	1,468	13,036	-	13,036
Telephone	-	2,573	1,314	756	-	4,643	358	639	5,640	-	5,640
Postage and shipping	-	505	258	148	-	911	70	125	1,106	-	1,106
Occupancy costs and maintenance	-	45,956	23,478	13,498	-	82,932	6,392	11,406	100,730	-	100,730
Insurance	-	7,793	3,981	2,289	-	14,063	1,084	1,934	17,081	-	17,081
Supplies and printing	-	8,406	4,295	2,469	-	15,170	1,169	23,552	39,891	11,660	51,551
Conferences and meetings	-	1,994	-	-	-	1,994	-	-	1,994	-	1,994
State and national organization dues	-	-	-	-	-	-	21,690	-	21,690	-	21,690
Bank, credit card and brokerage fees	-	10,032	5,125	2,947	-	18,104	1,396	2,490	21,990	-	21,990
Catering and venue expenses	-	-	-	-	-	-	-	-	-	139,514	139,514
Other	-	3,370	1,721	991	-	6,082	469	837	7,388	-	7,388
Total Other Expenses	-	393,308	439,192	123,043	2,149	957,692	220,351	156,613	1,334,656	151,174	1,485,830
Total Expenses Before Depreciation	670,287	393,308	439,192	123,043	2,149	1,627,979	220,351	156,613	2,004,943	151,174	2,156,117
Depreciation	-	361	184	106	-	651	50	90	791	-	791
Direct donor benefits	670,287	393,669	439,376	123,149	2,149	1,628,630	220,401	156,703	2,005,734	151,174	2,156,908
Total Expenses	\$ 670,287	\$ 393,669	\$ 439,376	\$ 123,149	\$ 2,149	\$ 1,628,630	\$ 220,401	\$ 156,703	\$ 2,005,734	\$ -	\$ 2,005,734

See notes to financial statements

United Way of Greenwich, Inc.

Statement of Functional Expenses

Year Ended June 30, 2021

	Program Expenses							Management and General	Fund- raising	Total Expenses	
	Board Allocations and Grants	Community Impact	Early Childhood Achievement Gap Solutions	Youth Impact Pro- gramming	Human Services Technology Solutions	COVID Relief	Total			Before Direct Donor Benefits	Direct Donor Benefits
GRANTS											
Board approved grants	\$ 762,653	\$ -	\$ -	\$ -	\$ -	\$ 355,682	\$ 1,118,335	\$ -	\$ -	\$ 1,118,335	\$ -
Core services grants	5,000	-	-	-	-	-	5,000	-	-	5,000	-
Total Grants	767,653	-	-	-	-	355,682	1,123,335	-	-	1,123,335	-
OTHER EXPENSES											
Salaries and related expenses	-	284,612	175,224	82,244	-	11,526	553,606	75,854	96,476	725,936	-
Program supplies and expenses	-	-	55,501	2,645	1,970	-	60,116	94	-	60,210	-
Fees for service	-	-	161,400	-	-	-	161,400	-	-	161,400	-
Professional and consulting fees	-	6,072	3,738	1,754	-	246	11,810	116,745	32,816	161,371	-
Office supplies and expenses	-	4,570	2,557	1,534	-	182	8,843	949	1,471	11,263	-
Telephone	-	3,111	1,741	908	1,345	124	7,229	645	1,002	8,876	-
Postage and shipping	-	583	326	170	-	23	1,102	121	188	1,411	242
Occupancy costs and maintenance	-	35,311	19,755	10,306	-	1,403	66,775	7,332	11,367	85,474	-
Insurance	-	6,593	3,688	1,924	-	262	12,467	1,369	2,122	15,958	-
Supplies and printing	-	5,705	3,191	1,665	-	227	10,788	1,184	17,083	29,055	14,775
Conferences and meetings	-	618	12	6	-	-	636	4	7	647	-
State and national organization dues	-	-	-	-	-	-	-	22,421	-	22,421	-
Bank, credit card and brokerage fees	-	5,215	2,918	1,522	-	207	9,862	1,082	1,679	12,623	-
Catering and venue expenses	-	-	-	-	-	-	-	-	-	155,173	155,173
Other	-	3,114	1,742	909	-	124	5,889	647	1,003	7,539	-
Total Other Expenses	-	355,504	431,793	105,587	3,315	14,324	910,523	228,447	165,214	1,304,184	170,190
Total Expenses Before Depreciation	767,653	355,504	431,793	105,587	3,315	370,006	2,033,858	228,447	165,214	2,427,519	170,190
Depreciation	-	322	180	94	-	13	609	66	104	779	-
Direct donor benefits	767,653	355,826	431,973	105,681	3,315	370,019	2,034,467	228,513	165,318	2,428,298	170,190
Total Expenses	\$ 767,653	\$ 355,826	\$ 431,973	\$ 105,681	\$ 3,315	\$ 370,019	\$ 2,034,467	\$ 228,513	\$ 165,318	\$ 2,428,298	\$ -
											\$ 2,428,298

See notes to financial statements

United Way of Greenwich, Inc.

Statements of Cash Flows

	Years Ended June 30,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (707,433)	\$ 878,731
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	791	779
Provision for uncollectible promises receivable	69,634	6,126
Net gain on investments	548,244	(626,413)
Paycheck Protection Program loan forgiveness	-	(111,428)
Change in operating net assets and liabilities		
Promises receivable	61,068	(100,885)
Other receivables and prepaid expenses	(615)	17,073
Other assets	(7,917)	-
Donor designations payable	-	(1,401)
Accounts payables and accrued expenses	27,560	16,301
Refundable advances	<u>(17,475)</u>	<u>(211,606)</u>
Net Cash from Operating Activities	<u>(26,143)</u>	<u>(132,723)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale and maturities of investments	(80,240)	1,748,637
Purchase of investments	<u>95,038</u>	<u>(1,357,487)</u>
Net Cash from Investing Activities	<u>14,798</u>	<u>391,150</u>
Net Change in Cash and Cash Equivalents	(11,345)	258,427
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>2,189,797</u>	<u>1,931,370</u>
End of year	<u>\$ 2,178,452</u>	<u>\$ 2,189,797</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Non-cash Investing and Financing Activities		
Paycheck Protection Program loan forgiveness	\$ -	\$ 111,428
Disposition of fully amortized leasehold improvements	6,480	-

United Way of Greenwich, Inc.

Notes to Financial Statements June 30, 2022 and 2021

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 via its Community Investment Process, the Organization assesses and documents local needs through its Needs Assessment, with the most recent assessment completed in 2020, 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 Programs) include:

Early Childhood Achievement Gap Solutions – This data-driven solution, with over 30 years of proven success in other communities, works to narrow the achievement gap in Greenwich amongst at-risk children utilizing a two-pronged approach. The first prong, “Parents as Teachers” is an in-home visitation program for high-risk children aged 0 to 3 in Greenwich. The second prong is an enriched pre-school instructional coaching program, at Greenwich Public Schools Title I pre-school locations and community based pre-schools, serving a large percentage of low-income children, ages 3-5

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 – known as Greenwich Resource Network, utilizing the VisionLink platform, lives 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, 2022 and 2021

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 related to the determination of the allowance for doubtful promises receivable, the fair value of investments and the functional allocation of expenses. Actual results could differ from those estimates

Measure of Operations

The Organization’s measure of operations includes all changes in net assets except for Paycheck Protection Program loan forgiveness 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.

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.

Investments and Investment Income

Investments are reported at fair value. The reported fair value of common stocks, mutual funds, exchange traded funds, 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 fair value. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Securities are reported on a trade date basis. Realized and unrealized gains and losses are included in investment income, net in the statement of activities.

United Way of Greenwich, Inc.

Notes to Financial Statements
June 30, 2022 and 2021

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

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 and Promises Receivable

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 ("promises receivable") are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for uncollectible promises and an adjustment to a valuation allowance based on historical experience and its assessment of the current status of individual accounts. Balances that remain outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance. Promises receivable 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, 2022 and 2021

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

Public Support and Promises Receivable (continued)

Refundable advances represent amounts received in one fiscal year for fundraising events (conditional promises and unearned revenue) scheduled to occur in a subsequent fiscal year. Such amounts are recognized as contributions or revenue at the time the event occurs.

Special Events

The Organization conducts numerous special events (Sole Sisters Luncheon, Comedy Night and the Annual Golf Tournament, among others) to raise money. Fees for these events include both an exchange transaction component (ticket sales, underwriting, sponsorships) and a contribution component. These amounts are recognized as revenue or support at a point in time, typically, when the event occurs.

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 of activities at their estimated values at the 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, 2022 and 2021.

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. The Organization is no longer subject to tax examinations by applicable taxing jurisdictions for years prior to June 30, 2018.

United Way of Greenwich, Inc.

Notes to Financial Statements
June 30, 2022 and 2021

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

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, Leases. The core principle of this standard is that a lessee should recognize the assets and liabilities that arise from leases on their statement of financial position. Consequently, all leases that were classified as operating leases under prior lease guidance will now be recognized as assets and liabilities, initially measured at the present value of the lease payments. The lessee will recognize a single lease cost in its statement of activities calculated so that the cost of the lease is allocated over the lease term, typically on a straight-line basis. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election to not recognize such leases as assets and liabilities in the balance sheet. The accounting applied by a lessor entity is largely unchanged from prior lease guidance. In June 2020, the FASB issued ASU 2020-05 which defers the effective date of ASU 2016-02 one year making it effective for annual reporting periods beginning after December 15, 2021, with early application permitted, and allows either the full retrospective or the modified retrospective method of adoption. The Organization is evaluating the impact the pronouncement may have on the financial statements.

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 November 16, 2022.

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>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 2,178,452	\$ 2,189,797
Investments	2,661,114	3,193,968
Promises receivable within one year, net of reserve	66,736	145,857
Investments restricted to long-term investment	<u>117,623</u>	<u>147,811</u>
Total Financial Assets Available to Management for General Expenditure Within One Year	<u>5,023,925</u>	<u>5,677,433</u>

(continued)

United Way of Greenwich, Inc.

Notes to Financial Statements
June 30, 2022 and 2021

3. Liquidity and Availability (*continued*)

	<u>2022</u>	<u>2021</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	117,623	235,574
Board designated funds, net of amounts appropriated for operations through the budgeting process	<u>3,314,915</u>	<u>3,835,968</u>
	<u>3,432,538</u>	<u>4,071,542</u>
Total Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 1,591,387</u>	<u>\$ 1,605,891</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 include an on-going campaign to support the 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).

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 approximately 76% and 78% of cash and cash equivalents at June 30, 2022 and 2021, respectively. 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. These 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 include both Campaign and Direct Impact pledges. Promises receivable at June 30 are summarized as follows:

United Way of Greenwich, Inc.

Notes to Financial Statements
June 30, 2022 and 2021

5. Promises Receivable (*continued*)

	<u>2022</u>	<u>2021</u>
Local campaign receivables (currently due)	\$ 47,687	\$ 56,973
Promises receivable, special events	44,210	33,802
Other promises receivable		
Due in less than one year	103,652	131,452
Due in one to five years	-	63,829
Less unamortized discount on promises receivable	<u>(318)</u>	<u>(2,158)</u>
	195,231	283,898
Less allowance for doubtful promises receivables	<u>(84,603)</u>	<u>(42,568)</u>
	<u>\$ 110,628</u>	<u>\$ 241,330</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.

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

	<u>2022</u>	<u>2021</u>
Level 1		
Mutual Funds		
Equity	\$ 1,614,750	\$ 1,349,168
Bonds	785,778	1,024,544
Common stocks	20,447	559,790
Exchange traded funds	270,109	336,682
Money market funds	<u>87,653</u>	<u>71,595</u>
Total Investments at Fair Value	<u>\$ 2,778,737</u>	<u>\$ 3,341,779</u>

These are reported in the statements of financial positions as:

	<u>2022</u>	<u>2021</u>
Investments	\$ 2,661,114	\$ 3,193,968
Investments restricted to long-term investment	<u>117,623</u>	<u>147,811</u>
	<u>2,778,737</u>	<u>3,341,779</u>

United Way of Greenwich, Inc.

Notes to Financial Statements June 30, 2022 and 2021

6. Investments and Net Investment Return

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

	2022	2021
Interest and dividend income	\$ 116,839	\$ 77,306
Realized gains, net	46,624	204,738
Unrealized (depreciation) appreciation, net	(594,868)	421,675
Investment expenses	<u>(21,805)</u>	<u>(17,896)</u>
	(453,210)	685,823
Interest on cash and cash equivalents	<u>1,269</u>	<u>6,905</u>
Net investment (loss) return	<u><u>\$ (451,941)</u></u>	<u><u>\$ 692,728</u></u>

7. Property, Equipment and Leases

Property and equipment consists of the following at June 30:

	2022	2021
Leasehold improvements	\$ -	\$ 6,480
Office furniture and equipment	<u>6,543</u>	<u>6,543</u>
	6,543	13,023
Less accumulated depreciation	<u>(3,260)</u>	<u>(8,949)</u>
	<u><u>\$ 3,283</u></u>	<u><u>\$ 4,074</u></u>

Leased Facilities

The Organization had a lease for office space dated May 2017 that expired on December 31, 2021. On November 11, 2021, the Organization entered into a non-cancelable lease agreement with a new lessor for approximately 3,000 square feet of office space, commencing May 24, 2022. The lease expires in May 2026. Rent expense for the years ended June 30, 2022 and 2021 was \$86,225 and \$84,348.

The rent payments under the lease agreement for the next 5 years and thereafter are payable as follows:

2022	\$ 104,107
2023	106,012
2024	107,953
2025	109,934
2026	<u>101,010</u>
	<u><u>\$ 529,016</u></u>

United Way of Greenwich, Inc.

Notes to Financial Statements June 30, 2022 and 2021

8. Paycheck Protection Program Loan Payable

The Organization received a Paycheck Protection Program loan ("PPP loan") in the amount of \$111,428 on April 22, 2020. The Organization received notification from its bank that the full amount of the PPP loan was forgiven in December 2020. Debt forgiveness in the amount of \$111,428 was recognized and is included as other changes in net assets in the statement of activities for the year ended June 30, 2021.

9. Net Assets Without Donor Restrictions – Board Designated Funds

Changes in board designated funds for the year ended June 30, 2022 were as follows:

	June 30, 2021	Additions	Investment Income (Loss)	Released	June 30, 2022
Reserve Fund (a)	\$ 3,193,299	\$ -	\$ (423,020)	\$ (109,837)	\$ 2,660,442
Cash Flow Reserve Fund (b)	359,596	-	32	-	359,628
JMW Bequest (c)	250,708	-	260	-	250,968
Investment Fund (d)	38,657	-	40	-	38,697
Joan Melber Warburg Fund (e)	63,335	-	66	-	63,401
Diane Darst Fund (f)	7,658	-	8	-	7,666
Stuart Adelberg Fund (g)	32,550	-	-	-	32,550
	<u>\$ 3,945,803</u>	<u>\$ -</u>	<u>\$ (422,614)</u>	<u>\$ (109,837)</u>	<u>\$ 3,413,352</u>

- a. 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 from the sale of its headquarters building in 2017, (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.
- b. The Cash Flow Reserve Fund represents net assets without donor restrictions, not to exceed \$400,000, which 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.
- c. The JMW Bequest represents funds that are set aside to support future needs associated with Early Childhood Achievement Gap Solutions.
- d. 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.

United Way of Greenwich, Inc.

Notes to Financial Statements
June 30, 2022 and 2021

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

- e. The Joan Melber Warburg Fund is for the enhancement of quality care in early childhood development and for 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.
- f. The Diane Darst Fund represents funds to encourage and enable non-profit organizations to engage in strategic planning that will improve the effectiveness of their operations.
- g. 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.

10. Net Assets With Donor Restrictions

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

	2022	2021
Early Childhood Achievement Gap Solutions	\$ 292,101	\$ 572,746
Held for long-term investment*	<u>117,623</u>	<u>147,810</u>
	<u><u>\$ 409,724</u></u>	<u><u>\$ 720,556</u></u>

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

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

	2022	2021
Early Childhood Achievement Gap Solutions	\$ 439,376	\$ 245,810
Youth Impact Programming	-	81,106
Mental health program	-	10,000
COVID Relief	<u>-</u>	<u>356,369</u>
Operational Support	<u><u>\$ 439,376</u></u>	<u><u>\$ 693,285</u></u>

The Greenwich COVID-19 Community Relief Fund ("COVID-19 Relief Fund") was established in 2020 and was used for the relief of economic hardship due to the COVID-19 crisis to agencies located in Greenwich that provide aid, assistance and relief to Greenwich residents. The COVID-19 Relief Fund raised a total of \$887,318 of which \$355,682 and \$395,264 was granted in the years ended June 30, 2021 and 2020. An additional \$80,000 was directed toward specific organizations by donors in the year ended June 30, 2020.

United Way of Greenwich, Inc.

Notes to Financial Statements June 30, 2022 and 2021

10. Net Assets With Donor Restrictions (*continued*)

Program expenses for administering the COVID-19 Relief Fund and coordinating a community response to COVID-19 were \$47,883 in year ending June 30, 2020 and \$14,337 in year ending June 30, 2021, including \$5,798 paid from unrestricted funds and \$50 of allocated depreciation expense. All funds raised by the COVID-19 Relief Fund were distributed by June 30, 2021, at which time the fund was closed.

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>2022</u>				
Local campaign	\$ 1,478,754	\$ -	\$ (69,634)	\$ 1,409,120
Bequests, other income and contributions	37,973	-	-	37,973
Special event revenue, net	303,149	-	-	303,149
	<u>\$ 1,819,876</u>	<u>\$ -</u>	<u>\$ (69,634)</u>	<u>\$ 1,750,242</u>
<u>2021</u>				
Local campaign	\$ 2,112,849	\$ -	\$ (6,126)	\$ 2,106,723
Bequests, other income and contributions	14,331	-	-	14,331
Special event revenue, net	381,819	-	-	381,819
	<u>\$ 2,508,999</u>	<u>\$ -</u>	<u>\$ (6,126)</u>	<u>\$ 2,502,873</u>

Included in local campaign revenue for the year ended June 30, 2022 is \$53,900 from a contribution of collectible wine that was sold by the organization for \$53,900.

For the years ended June 30, 2022 and 2021, the Organization's ratio of Support Services Expenses to Fundraising Revenue was 21.5% and 15.7%, respectively.

12. 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 \$22,247 and \$27,148 for the years ended June 30, 2022 and 2021.

United Way of Greenwich, Inc.

Notes to Financial Statements
June 30, 2022 and 2021

13. Risks and Uncertainties

The global and domestic economic uncertainty has resulted in significant volatility in the financial markets. This volatility has affected, and may continue to affect, the value of the Organization investments and the success of its fundraising campaigns. The effects of economic and market conditions subsequent to June 30, 2022 are not reflected in these financial statements.

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United Way of Greenwich, Inc.

Supplemental Information

June 30, 2022 and 2021

United Way of Greenwich, Inc.

Schedule of Expenditures for Grants and Program Services

Years Ended June 30,

	<u>2022</u>	<u>2021</u>
FUNDED AGENCIES		
Abilis	\$ 40,000	\$ 125,000
Boys and Girls Club of Greenwich	15,000	53,000
Building One Community	15,000	20,000
Caritas	-	28,400
Child Guidance Center of Southern CT	-	68,000
Children's Day School	100,000	17,538
Coffee for Good	-	7,750
Family Centers, Inc.	100,000	187,500
Filling in the Blanks	20,000	35,700
Food Bank of Lower Fairfield County, Inc.	5,000	5,000
Food Rescue US	-	20,000
Girls with impact	5,000	-
GPS - Julianne Curtis Preschool	10,901	-
Grace Daycare & Learning Center	-	3,000
Grace Daycare & Learning Center (Early Education Scholarships)	33,521	10,813
Horizons	10,000	10,000
Inspirica	5,000	5,000
Jewish Family Services of Greenwich, CT	15,000	28,500
Kids in Crisis, Inc.	53,365	75,000
Laurel House	15,000	25,000
Liberation Programs, Inc.	30,000	49,169
Neighbor to Neighbor	30,000	50,000
Pacific House Shelter	5,000	15,000
Pathways, Inc.	-	23,300
Parents and Teacher Association Council	-	25,800
River House	30,000	45,400
Rowan Center	13,000	35,000
Transportation Association of Greenwich	20,000	35,000
UJA JCC	4,500	-
Wheel It Forward	10,000	-
YMCA of Greenwich	25,000	6,250
YWCA of Greenwich	<u>60,000</u>	<u>108,215</u>
Total Funded Agencies	<u>670,287</u>	<u>1,118,335</u> *
CORE SERVICE AGENCIES		
Neighbor to Neighbor, Inc.	-	5,000
Total Core Service Agencies	-	5,000
Community Planning, Agency Relations, Community Impact	393,669	370,163
Direct Impact programming	<u>564,674</u>	<u>540,969</u>
Total Funds Invested in the Community	<u>\$ 1,628,630</u>	<u>\$ 2,034,467</u>

* Includes \$355,682 of COVID-19 Relief Fund grants for the year ended June 30, 2021.