

United Way of Greenwich, Inc.

Financial Statements

June 30, 2024 and 2023

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, 2024 and 2023, 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, 2024 and 2023, 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.

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 21 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 20, 2024

United Way of Greenwich, Inc.

Statements of Financial Position

	June 30,	
	2024	2023
ASSETS		
Cash and cash equivalents	\$ 1,670,983	\$ 1,266,272
Investments	3,053,361	3,106,103
Promises receivable, net	153,048	241,113
Other receivables and prepaid expenses	11,286	18,749
Investments restricted to long-term investment	146,423	133,333
Property and equipment, net	6,998	2,504
Operating lease right of use asset, net	297,531	396,720
Other assets	7,917	7,917
	<u>\$ 5,347,547</u>	<u>\$ 5,172,711</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 183,706	\$ 164,468
Operating lease liability	306,915	402,364
Refundable advances	16,182	41,500
	<u>506,803</u>	<u>608,332</u>
Total Liabilities		
	<u>506,803</u>	<u>608,332</u>
Net Assets		
Without Donor Restrictions		
Undesignated	736,448	916,355
Board designated	3,837,873	3,514,691
	<u>4,574,321</u>	<u>4,431,046</u>
Total Without Donor Restrictions		
	<u>4,574,321</u>	<u>4,431,046</u>
With Donor Restrictions	266,423	133,333
	<u>266,423</u>	<u>133,333</u>
Total Net Assets		
	<u>4,840,744</u>	<u>4,564,379</u>
	<u>\$ 5,347,547</u>	<u>\$ 5,172,711</u>

United Way of Greenwich, Inc.

Statements of Activities

	Year Ended June 30, 2024			Year Ended June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE						
Campaign results, net	\$ 1,380,299	\$ 120,000	\$ 1,500,299	\$ 1,219,660	\$ -	\$ 1,219,660
Contributions	233,411	-	233,411	1,061,101	-	1,061,101
Less provision for uncollectible promises	(55,004)	-	(55,004)	(38,004)	-	(38,004)
Net Campaign Results	1,558,706	120,000	1,678,706	2,242,757	-	2,242,757
Investment income appropriated for operations	96,161	-	96,161	98,437	-	98,437
Special events revenue, net of direct donor benefit of \$301,051 and \$177,835	684,114	-	684,114	325,429	-	325,429
	2,338,981	120,000	2,458,981	2,666,623	-	2,666,623
Net assets released from restrictions	-	-	-	292,100	(292,100)	-
Total Public Support and Revenue	2,338,981	120,000	2,458,981	2,958,723	(292,100)	2,666,623
EXPENSES						
Program Expenses						
Board allocations and grants	701,296	-	701,296	624,925	-	624,925
Community Impact	462,904	-	462,904	436,125	-	436,125
Early Childhood Achievement Gap Solutions	496,294	-	496,294	499,351	-	499,351
Youth Impact Programming	110,039	-	110,039	123,238	-	123,238
Youth Mental Health Grant	250,000	-	250,000	1,150,000	-	1,150,000
Total Program Expenses	2,020,533	-	2,020,533	2,833,639	-	2,833,639
Support Services						
Management and general	333,284	-	333,284	255,143	-	255,143
Fundraising	184,394	-	184,394	180,473	-	180,473
Total Support Services Expenses	517,678	-	517,678	435,616	-	435,616
Total Expenses	2,538,211	-	2,538,211	3,269,255	-	3,269,255
Excess (Deficiency) of Public Support and Revenue Over Expenses from Operations	(199,230)	120,000	(79,230)	(310,532)	(292,100)	(602,632)
OTHER CHANGES IN NET ASSETS						
Investment income, net of appropriations for operations	342,505	13,090	355,595	198,004	15,709	213,713
Change in Net Assets	143,275	133,090	276,365	(112,528)	(276,391)	(388,919)
NET ASSETS						
Beginning of year	4,431,046	133,333	4,564,379	4,543,574	409,724	4,953,298
End of year	\$ 4,574,321	\$ 266,423	\$ 4,840,744	\$ 4,431,046	\$ 133,333	\$ 4,564,379

See notes to financial statements

United Way of Greenwich, Inc.

Statement of Functional Expenses

Year Ended June 30, 2024

	Program Expenses					Management and General	Fund- raising	Total Expenses		Direct Donor Benefits	Total Expenses
	Board Allocations and Grants	Community Impact	Early Childhood Achievement Gap Solutions	Youth Impact Pro- gramming	Youth Mental Health Grant			Total	Before Direct Donor Benefits		
GRANTS											
Board approved grants	\$ 701,296	\$ -	\$ -	\$ -	\$ 250,000	\$ 951,296	\$ -	\$ -	\$ 951,296	\$ -	\$ 951,296
OTHER EXPENSES											
Salaries and related expenses	-	363,660	178,498	83,501	-	625,659	141,200	93,796	860,655	-	860,655
Program supplies and expenses	-	-	16,710	5,448	-	22,158	-	-	22,158	-	22,158
Fees for service	-	-	255,693	-	-	255,693	-	-	255,693	-	255,693
Professional and consulting fees	-	-	-	-	-	-	150,957	29,579	180,536	-	180,536
Office supplies and expenses	-	6,713	3,152	1,795	-	11,660	1,477	1,882	15,019	11,300	26,319
Telephone	-	2,677	1,257	574	-	4,508	590	751	5,849	-	5,849
Postage and shipping	-	636	299	136	-	1,071	140	178	1,389	-	1,389
Occupancy costs and maintenance	-	52,268	24,543	11,212	-	88,023	11,506	14,654	114,183	-	114,183
Insurance	-	11,014	5,172	2,362	-	18,548	2,424	3,088	24,060	-	24,060
Supplies and printing	-	7,812	3,668	1,676	-	13,156	1,718	36,106	50,980	39,117	90,097
Conferences and meetings	-	2,572	-	-	-	2,572	-	-	2,572	-	2,572
State and national organization dues	-	-	-	-	-	-	19,847	-	19,847	-	19,847
Bank, credit card and brokerage fees	-	9,796	4,600	2,101	-	16,497	2,156	2,747	21,400	-	21,400
Catering and venue expenses	-	-	-	-	-	-	-	-	-	250,634	250,634
Other	-	5,302	2,489	1,137	-	8,928	1,168	1,486	11,582	-	11,582
Total Other Expenses	-	462,450	496,081	109,942	-	1,068,473	333,183	184,267	1,585,923	301,051	1,886,974
Total Expenses Before Depreciation	701,296	462,450	496,081	109,942	250,000	2,019,769	333,183	184,267	2,537,219	301,051	2,838,270
Depreciation	-	454	213	97	-	764	101	127	992	-	992
	701,296	462,904	496,294	110,039	250,000	2,020,533	333,284	184,394	2,538,211	301,051	2,839,262
Direct donor benefits	-	-	-	-	-	-	-	-	-	(301,051)	(301,051)
Total Expenses	\$ 701,296	\$ 462,904	\$ 496,294	\$ 110,039	\$ 250,000	\$ 2,020,533	\$ 333,284	\$ 184,394	\$ 2,538,211	\$ -	\$ 2,538,211

See notes to financial statements

United Way of Greenwich, Inc.

Statement of Functional Expenses

Year Ended June 30, 2023

	Program Expenses					Total	Management and General	Fund-raising	Total Expenses		Total Expenses
	Board Allocations and Grants	Community Impact	Early Childhood Achievement Gap Solutions	Youth Impact Programming	Youth Mental Health Grant				Before Direct Donor Benefits	Direct Donor Benefits	
GRANTS											
Board approved grants	\$ 624,925	\$ -	\$ -	\$ -	\$ 1,150,000	\$1,774,925	\$ -	\$ -	\$1,774,925	\$ -	\$ 1,774,925
OTHER EXPENSES											
Salaries and related expenses	-	335,770	169,739	85,444	-	590,953	104,218	99,147	794,318	-	794,318
Program supplies and expenses	-	-	38,078	9,003	-	47,081	144	-	47,225	-	47,225
Fees for service	-	-	242,857	-	-	242,857	-	-	242,857	-	242,857
Professional and consulting fees	-	5,125	5,125	5,125	-	15,375	122,270	29,214	166,859	-	166,859
Office supplies and expenses	-	6,644	3,145	1,709	-	11,498	1,090	1,832	14,420	-	14,420
Telephone	-	2,734	1,294	703	-	4,731	448	754	5,933	-	5,933
Postage and shipping	-	339	161	87	-	587	56	94	737	-	737
Occupancy costs and maintenance	-	52,608	24,900	13,531	-	91,039	8,630	14,504	114,173	-	114,173
Insurance	-	10,229	4,842	2,631	-	17,702	1,678	2,820	22,200	-	22,200
Supplies and printing	-	10,127	4,793	2,605	-	17,525	1,661	29,535	48,721	14,781	63,502
Conferences and meetings	-	4,065	-	-	-	4,065	-	-	4,065	-	4,065
State and national organization dues	-	-	-	-	-	-	13,416	-	13,416	-	13,416
Bank, credit card and brokerage fees	-	7,849	3,715	2,019	-	13,583	1,288	2,164	17,035	-	17,035
Catering and venue expenses	-	-	-	-	-	-	-	-	-	163,054	163,054
Other	-	280	531	288	-	1,099	184	309	1,592	-	1,592
Total Other Expenses	-	435,770	499,180	123,145	-	1,058,095	255,083	180,373	1,493,551	177,835	1,671,386
Total Expenses Before Depreciation	624,925	435,770	499,180	123,145	1,150,000	2,833,020	255,083	180,373	3,268,476	177,835	3,446,311
Depreciation	-	355	171	93	-	619	60	100	779	-	779
Total Expenses Before Direct Donor Benefits	624,925	436,125	499,351	123,238	1,150,000	2,833,639	255,143	180,473	3,269,255	177,835	3,447,090
Direct donor benefits	-	-	-	-	-	-	-	-	-	(177,835)	(177,835)
Total Expenses	\$ 624,925	\$ 436,125	\$ 499,351	\$ 123,238	\$ 1,150,000	\$ 2,833,639	\$ 255,143	\$ 180,473	\$ 3,269,255	\$ -	\$ 3,269,255

See notes to financial statements

United Way of Greenwich, Inc.

Statements of Cash Flows

	Years Ended June 30,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 276,365	\$ (388,919)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	992	779
Provision for uncollectible promises receivable	55,004	38,004
Net gain on investments	(329,372)	(213,561)
Amortization of ROU assets	99,189	96,388
Change in operating net assets and liabilities		
Promises receivable	33,061	(168,489)
Other receivables and prepaid expenses	7,463	(4,372)
Accounts payables and accrued expenses	19,238	24,372
Operating lease liability	(95,449)	(90,744)
Refundable advances	(25,318)	41,500
Net Cash from Operating Activities	41,173	(665,042)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale and maturities of investments	1,040,242	961,329
Purchase of investments	(671,218)	(1,208,467)
Purchases of property and equipment	(5,486)	-
Net Cash from Investing Activities	363,538	(247,138)
Net Change in Cash and Cash Equivalents	404,711	(912,180)
CASH AND CASH EQUIVALENTS		
Beginning of year	2,812,876	3,725,056
End of year	\$ 3,217,587	\$ 2,812,876

See notes to financial statements

United Way of Greenwich, Inc.

Notes to Financial Statements
June 30, 2024 and 2023

1. Organization

The United Way of Greenwich, Inc., doing business as Greenwich United Way, (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 donations and distributing grants 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.

Youth Mental Health Grant – In an effort to meet the increasing needs in town, the Greenwich United Way partnered with Greenwich Hospital to develop a facility to offer outpatient mental health services in a safe and comforting space for both youth and adolescent patients and their parents. Specifically, the Organization raised \$1.4 million which was granted to Greenwich Hospital for the capital build out of the new facility that opened in October 2024.

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, 2024 and 2023

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.

Adoption of New Accounting Pronouncement

In June 2016, the Financial Accounting Standards Board issued an accounting pronouncement related to the measurement of credit losses on financial instruments. This pronouncement and subsequently issued Accounting Standards Updates, clarified certain provisions of the new guidance, changed the incurred loss model for most financial assets and required the use of an expected loss model for instruments measured at amortized cost and certain other instruments that are not measured at fair value through change in net assets. Under this model, entities are required to estimate the lifetime expected credit losses on such instruments and record an allowance to offset the amortized cost basis of the financial asset, resulting in a net presentation of the amount expected to be collected on the financial asset. The adoption of this guidance on July 1, 2023, did not have a material effect on its financial statements.

Measure of Operations

The Organization’s measure of operations includes all changes in net assets except for 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.

United Way of Greenwich, Inc.

Notes to Financial Statements
June 30, 2024 and 2023

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, 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.

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.

Operating Leases and Right of Use Assets and Liabilities

As of July 1, 2022, the Organization evaluates its lease arrangements and determines if an arrangement contains any lease components at inception. The Organization has one operating lease which gives rise to a right-of-use asset ("ROU asset") and related operating lease liability on the statements of financial position. The Organization did not have any finance type leases during the years ended June 30, 2024 and 2023.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The lease does not provide an implicit borrowing rate. The Organization uses a risk-free rate based on the information available at the commencement date in determining the present value of lease payments. The operating lease ROU asset includes any lease payments made and excludes lease incentives.

When an option to extend a lease exists, the lease terms may include the extended lease term when it is reasonably certain that the Organization will exercise that option.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

United Way of Greenwich, Inc.

Notes to Financial Statements
June 30, 2024 and 2023

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

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 by actions of the Organization as specified by the donor. Certain restrictions may require the assets to be maintained in perpetuity.

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 in 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.

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.

United Way of Greenwich, Inc.

Notes to Financial Statements
June 30, 2024 and 2023

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

Special Events

The Organization conducts numerous special events (Sole Sisters Luncheon, Comedy Night and the Annual Golf Tournament, and Anniversary Galas, 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. Income from special events are reflected on the statements of activities net of the cost of direct donor benefits such as food and beverage and rounds of golf.

Contributions of Nonfinancial Assets

As of July 1, 2022, the Organization adopted the provisions of Financial Accounting Standards Board Accounting Standards Update (“ASU”) ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958). ASU 2020-07 brings more transparency and consistency to the presentation and disclosure of gifts-in-kind. The standard does not change the accounting for gifts-in-kind, however, provides matters related to presentation and disclosure. Donated professional services are recognized in the financial statements if the services enhance or create nonfinancial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

A substantial number of volunteers have donated considerable amounts of their time to the Organization’s program and supporting services.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable are recorded at amortized cost less an allowance for credit losses that are not expected to be recovered. The amount of accounts receivable and corresponding allowance for credit losses are presented net on the statement of financial position. The Organization maintains an allowance for credit losses resulting from the expected failure or inability of its donors to make required payments. The Organization recognizes the allowance for credit losses at billing and reassesses at every reporting date based on the receivable’s expected collectability. The allowance is based on multiple factors including historical experience with bad debts, the credit quality of the donor base, the aging of such receivables and current macroeconomic conditions, as well as expectations of conditions in the future, if applicable.

United Way of Greenwich, Inc.

Notes to Financial Statements
June 30, 2024 and 2023

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

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, 2021.

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 November 20, 2024.

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>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 1,670,983	\$ 1,266,272
Investments	3,053,361	3,106,103
Promises receivable, net, due within one year	153,048	241,113
Investments restricted to long-term investment	<u>146,423</u>	<u>133,333</u>
Total Financial Assets Available to Management for General Expenditure Within One Year	<u>5,023,815</u>	<u>4,746,821</u>

(continued)

United Way of Greenwich, Inc.

Notes to Financial Statements
June 30, 2024 and 2023

3. Liquidity and Availability (*continued*)

	<u>2024</u>	<u>2023</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	266,423	133,333
Board designated funds, net of amounts appropriated for operations through the budgeting process	<u>3,729,690</u>	<u>3,418,530</u>
	<u>3,996,113</u>	<u>3,551,863</u>
Total Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 1,027,702</u>	<u>\$ 1,194,958</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. The Organization's Finance Committee is tasked with oversight of the liquidity strategy. 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 8).

4. Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist principally of cash on deposit with financial institutions, and investments held through a custodial relationship. Deposits held at financial institutions insured by the Federal Deposit Insurance Corporation ("FDIC") are insured up to \$250,000. As of June 30, 2024 and 2023, the uninsured cash balances on deposit were approximately \$1,030,000 and \$843,000, respectively. Management believes it mitigates the Organization's risk by investing with reputable commercial institutions with satisfactory credit ratings. The Organization works with an investment advisor where investments are held in a custodial relationship and any cash in the portfolio is held in money market funds rather than on deposit. Holding these investments in this manner is intended to protect the Organization from the risk of a bank failure. As of June 30, 2024 and 2023, these investment holdings totaled were approximately \$2,652,000 and \$2,472,000, respectively. Management believes it mitigates the Organization's risk by working with an investment advisor and custodia with satisfactory credit ratings.

United Way of Greenwich, Inc.

Notes to Financial Statements
June 30, 2024 and 2023

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:

	<u>2024</u>	<u>2023</u>
Local campaign receivables (currently due)	\$ 81,767	\$ 49,480
Special events receivable	65,540	49,178
Other promises receivable		
Due in less than one year	<u>129,300</u>	<u>248,069</u>
	276,607	346,727
Less:		
Allowance for doubtful promises receivables	(74,404)	(68,730)
Allowance for credit losses / doubtful special special events receivables	<u>(49,155)</u>	<u>(36,884)</u>
	<u>\$ 153,048</u>	<u>\$ 241,113</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 8). 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, 2024 and 2023

6. Investments and Net Investment Return (continued)

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

	2024	2023
Level 1		
Mutual Funds		
Equity	\$ -	\$ 12,218
Bonds	766,498	745,908
Common stocks	1,726,605	1,647,285
Exchange traded funds	706,681	465,166
Investments at fair value	3,199,784	2,870,577
Investments at cost, which approximates fair value		
Certificate of deposit	-	368,859
Total Investments	\$ 3,199,784	\$ 3,239,436

These are reported in the statements of financial positions as:

	2024	2023
Investments	\$ 3,053,361	\$ 3,106,103
Investments restricted to long-term investment	146,423	133,333
	\$ 3,199,784	\$ 3,239,436

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

	2024	2023
Interest and dividend income	\$ 98,635	\$ 111,326
Realized (losses) gains, net	19,562	(7,832)
Unrealized appreciation, net	309,810	221,393
Investment expenses	(20,260)	(18,704)
	407,747	306,183
Interest on cash and cash equivalents	44,009	5,967
Net investment return	\$ 451,756	\$ 312,150

United Way of Greenwich, Inc.

Notes to Financial Statements
June 30, 2024 and 2023

7. Property, Equipment and Right of Use Assets and Liabilities

Property and equipment consists of the following at June 30:

	<u>2024</u>	<u>2023</u>
Office furniture and equipment	\$ 12,029	\$ 6,543
Less accumulated depreciation	<u>(5,031)</u>	<u>(4,039)</u>
	<u>\$ 6,998</u>	<u>\$ 2,504</u>

Right of Use Assets and Liabilities

The Organization leases approximately 3,000 square feet of office space under a non-cancelable lease agreement which expires May 2027.

As a result of the adoption of the new lease accounting guidance, on July 1, 2022 the Organization initially recognized a lease liability of \$493,108 that represents the present value of the remaining operating lease payments of \$530,348, discounted using the risk-free rate on the date of adoption (3.01%), and a right-of-use asset equal to the operating lease liability of \$493,108.

Below is a summary of pertinent information related to the operating leases expense as of and for the year ended June 30:

	<u>2024</u>	<u>2023</u>
Operating lease cost	\$ 109,727	\$ 109,727
Short-term lease cost	-	8,106
Supplemental cash flow information		
Cash paid for amounts included in the measurement of operating lease liabilities	105,987	104,083
Weighted-average remaining lease term (years)	2.92	3.92
Weighted-average discount rate	3.01%	3.01%

Future minimum lease payments due under the non-cancellable agreement as of June 30, 2024 are as follows:

Year ending June 30,	
2025	\$ 107,928
2026	109,908
2027	<u>102,443</u>
Total future minimum lease payments	320,279
Less: present value discount	<u>(13,364)</u>
Total lease liability	<u>\$ 306,915</u>

United Way of Greenwich, Inc.

Notes to Financial Statements
June 30, 2024 and 2023

8. Net Assets Without Donor Restrictions – Board Designated Funds

The balances of board designated funds at June 30, 2024 and 2023 and the changes in these funds for the year ended June 30, 2024 are as follows:

	June 30, 2023	Additions	Investment Income (Loss)	Released	June 30, 2024
Reserve Fund (a)	\$ 2,852,564	\$ -	\$ 394,512	\$ (96,161)	\$ 3,150,915
Cash Flow Reserve Fund (b)	364,412	-	15,970	-	380,382
JMW Bequest (c)	251,292	-	7,480	-	258,772
Investment Fund (d)	38,747	-	1,153	-	39,900
Diane Darst Fund (e)	7,676	-	228	-	7,904
	<u>\$ 3,514,691</u>	<u>\$ -</u>	<u>\$ 419,343</u>	<u>\$ (96,161)</u>	<u>\$ 3,837,873</u>

In November 2016, the Board adopted the Reserve Fund, the purposes of which 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.

- a. 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.
- b. 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.
- e. 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.

United Way of Greenwich, Inc.

Notes to Financial Statements
June 30, 2024 and 2023

9. Net Assets With Donor Restrictions

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

	<u>2024</u>	<u>2023</u>
Local campaign support retracted for future periods	\$ 120,000	\$ -
Held for long-term investment*	<u>146,423</u>	<u>133,333</u>
	<u>\$ 266,423</u>	<u>\$ 133,333</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:

	<u>2024</u>	<u>2023</u>
Early Childhood Achievement Gap Solutions	<u>\$ -</u>	<u>\$ 292,100</u>

10. Support and Revenue

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

	<u>Fundraising Revenue</u>	<u>Provisions for Uncollectible Promises</u>	<u>Total</u>
<u>2024</u>			
Local campaign	\$ 1,733,710	\$ (55,004)	\$ 1,678,706
Special event revenue, net	<u>684,114</u>	<u>-</u>	<u>684,114</u>
	<u>\$ 2,417,824</u>	<u>\$ (55,004)</u>	<u>\$ 2,362,820</u>
<u>2023</u>			
Local campaign	\$ 2,280,761	\$ (38,004)	\$ 2,242,757
Special event revenue, net	<u>325,429</u>	<u>-</u>	<u>325,429</u>
	<u>\$ 2,606,190</u>	<u>\$ (38,004)</u>	<u>\$ 2,568,186</u>

For the years ended June 30, 2024 and 2023, the Organization's ratio of Support Services Expenses to Fundraising Revenue was 21.4% and 16.7% respectively.

United Way of Greenwich, Inc.

Notes to Financial Statements
June 30, 2024 and 2023

11. 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 \$33,826 and \$29,784 for the years ended June 30, 2024 and 2023.

12. 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's investments and the success of its fundraising campaigns. The effects of economic and market conditions subsequent to June 30, 2024 are not reflected in these financial statements.

13. Subsequent event

On September 10, 2024, the Greenwich United Way was awarded \$169,500 in American Rescue Plan Act funds from the Town of Greenwich's Department of Human Services to provide need based preschool scholarships to residents of Greenwich ages 3-5 years.

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United Way of Greenwich, Inc.

Supplemental Information

June 30, 2024 and 2023

United Way of Greenwich, Inc.

Schedule of Expenditures for Grants and Program Services

Years Ended June 30,

	<u>2024</u>	<u>2023</u>
FUNDED AGENCIES		
Abilis	\$ 60,000	\$ 30,000
Boys and Girls Club of Greenwich	25,000	20,000
Boys Scouts	11,725	-
Building One Community	35,000	35,000
Children's Day School	6,500	-
Coffee for Good	26,000	25,899
Family Centers, Inc.	75,000	70,000
Family Centers, Inc. - Early Childhood Education Scholarships	33,966	4,150
Filling in the Blanks	10,000	20,000
Food Bank of Lower Fairfield County, Inc.	5,000	5,000
Food Rescue US	7,500	10,000
Grace Daycare & Learning Center Scholarships	39,094	50,176
Greenwich Alliance for Education	55,311	22,500
Inspirica	5,000	10,000
Jewish Family Services of Greenwich, CT	10,000	10,000
Kids in Crisis, Inc.	30,000	50,000
Laurel House	15,000	20,000
Liberation Programs, Inc.	40,000	35,000
Mothers for Others	3,000	-
Neighbor to Neighbor	32,500	35,000
Pacific House Shelter	5,700	7,500
Pathways, Inc.	10,000	8,750
River House	25,000	31,200
Rowan Center	15,000	9,250
Saint Joseph Parenting Center	-	4,500
Transportation Association of Greenwich	5,000	5,000
UJA JCC	5,000	6,000
Undies Project	-	5,000
YMCA of Greenwich	-	30,000
YWCA of Greenwich	110,000	65,000
	<hr/>	<hr/>
Total Funded Agencies	701,296	624,925
Youth Mental Health Initiative	250,000	1,150,000
Community Planning, Agency Relations, Community Impact	462,904	436,125
Direct Impact programming	606,333	622,589
	<hr/>	<hr/>
Total Funds Invested in the Community	<u>\$ 2,020,533</u>	<u>\$ 2,833,639</u>