

**UNITED WAY OF SOUTHEASTERN
CONNECTICUT, INC.**

FINANCIAL STATEMENTS

JUNE 30, 2019

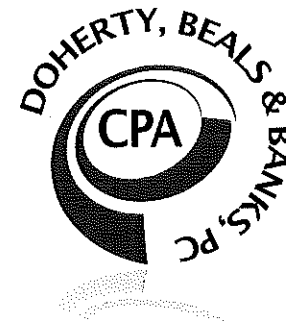
**UNITED WAY OF SOUTHEASTERN
CONNECTICUT, INC.**

FINANCIAL STATEMENTS

JUNE 30, 2019

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Board of Directors
United Way of Southeastern
Connecticut, Inc.
P.O. Box 375
Gales Ferry, CT 06335

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of United Way of Southeastern Connecticut, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2019, and the related statements of activities and cash flows for the year 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 for 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditor's 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 Southeastern Connecticut, Inc. as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited United Way of Southeastern Connecticut, Inc.'s 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 28, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Emphasis of Matter

As discussed in Note 1 to the consolidated financial statements, in 2018, the Organization adopted Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit entities (Topic 958): Presentation of Financial Statements of Not-for Profit Entities. Our opinion is not modified with respect to these matters.

Doherty, Beals & Banks, P.C.
DOHERTY, BEALS & BANKS, P.C.
New London, Connecticut

September 6, 2019

UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2019
WITH COMPARATIVE TOTALS FOR 2018

	Net Assets Without		Net Assets With		Totals			
	Donor Restrictions		Donor Restrictions		2019	2018		
ASSETS								
Cash-checking	\$	138,429	\$	178,199	\$	316,628	\$	363,482
Cash-savings		1,705,637		-		1,705,637		1,855,551
Total cash		1,844,066		178,199		2,022,265		2,219,033
Investments (note 3)		4,253,909		-		4,253,909		3,987,552
Pledges receivable (net of allowance for uncollectibles of \$124,940)		-		1,982,230		1,982,230		2,050,978
Land, building and equipment (net) (note 4)		1,686,213		-		1,686,213		1,731,239
Beneficial Interest in Perpetual Trust (note 3)		-		147,596		147,596		149,353
Beneficial Interest in assets held by Community Foundation (note 3 & 5)		174,235		-		174,235		164,794
TOTAL ASSETS	\$	7,958,423	\$	2,308,025	\$	10,266,448	\$	10,302,949
LIABILITIES AND NET ASSETS								
LIABILITIES								
Accounts payable	\$	10,166	\$	-	\$	10,166	\$	88,683
Accrued expenses		39,925		-		39,925		28,168
Donor directed allocations payable		-		127,236		127,236		123,168
Mortgage payable (note 6)		188,096		-		188,096		226,085
TOTAL LIABILITIES		238,187		127,236		365,423		466,104
NET ASSETS								
Without donor restrictions								
Available for general activities		1,853,234		-		1,853,234		1,906,663
Invested in land, building, and equipment		1,686,213		-		1,686,213		1,731,239
Board designated (note 8)		4,180,790		-		4,180,790		3,981,660
With donor restrictions		-		2,180,789		2,180,789		2,217,284
TOTAL NET ASSETS		7,720,236		2,180,789		9,901,025		9,836,845
TOTAL LIABILITIES AND NET ASSETS	\$	7,958,423	\$	2,308,025	\$	10,266,448	\$	10,302,949

See notes to financial statements.

UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.
STATEMENT OF ACTIVITIES
AS OF JUNE 30, 2019
WITH COMPARATIVE TOTALS FOR 2018

	Net Assets		Net Assets With Donor Restrictions	Totals	
	Without Donor Restrictions Undesignated	Designated		2019	2018
SUPPORT AND REVENUE					
Annual Campaign results	\$ 123,937	\$ -	\$ 4,205,825	\$ 4,329,762	\$ 4,378,101
Less: amount designated by donors for specific organizations	-	-	(217,245)	(217,245)	(249,862)
Allowance for uncollectibles	-	-	(124,940)	(124,940)	(164,000)
Total Annual Campaign	<u>123,937</u>	<u>-</u>	<u>3,863,640</u>	<u>3,987,577</u>	<u>3,964,239</u>
Food Center revenue	3,197,559	-	-	3,197,559	3,589,306
Contributions (note 9)	77,214	-	39,106	116,320	151,175
Administrative fees retained on amounts designated and programs	33,234	-	-	33,234	38,185
Grants	305,700	-	138,403	444,103	397,220
Net Investment income	42,955	311,019	-	353,974	275,180
Net assets released from restriction:					
Expiration of time restriction	3,857,621	-	(3,857,621)	-	-
Purpose restriction accomplished	<u>220,023</u>	<u>-</u>	<u>(220,023)</u>	<u>-</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	<u>\$ 7,858,243</u>	<u>\$ 311,019</u>	<u>\$ (36,495)</u>	<u>\$ 8,132,767</u>	<u>\$ 8,415,305</u>

See notes to financial statements.

UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.
STATEMENT OF ACTIVITIES
AS OF JUNE 30, 2019
WITH COMPARATIVE TOTALS FOR 2018

	Net Assets		Net Assets With Donor Restrictions	Totals	
	Without Donor Restrictiond	Designated		2019	2018
ALLOCATIONS AND EXPENSES	<u>Undesignated</u>	<u>Designated</u>	<u>Restrictions</u>	<u>2019</u>	<u>2018</u>
Allocations to agencies (page 16)	\$ 2,228,894	\$ -	\$ -	\$ 2,228,894	\$ 2,237,253
Food center	3,661,275	-	-	3,661,275	4,014,412
Community investment	377,358	-	-	377,358	360,755
Direct programs	<u>578,262</u>	<u>-</u>	<u>-</u>	<u>578,262</u>	<u>456,065</u>
Total Direct Support	6,845,789	-	-	6,845,789	7,068,485
Campaign	570,292	-	-	570,292	530,896
Marketing	153,224	-	-	153,224	154,588
Administration	<u>462,304</u>	<u>36,979</u>	<u>-</u>	<u>499,283</u>	<u>621,049</u>
TOTAL ALLOCATIONS AND EXPENSES	<u>8,031,609</u>	<u>36,979</u>	<u>-</u>	<u>8,068,588</u>	<u>8,375,018</u>
CHANGE IN NET ASSETS	(173,366)	274,040	(36,495)	64,179	40,287
Transfer between funds	74,911	(74,911)	-	-	-
NET ASSETS, BEGINNING	<u>3,637,902</u>	<u>3,981,660</u>	<u>2,217,284</u>	<u>9,836,845</u>	<u>9,796,558</u>
NET ASSETS, ENDING	<u>\$ 3,539,447</u>	<u>\$ 4,180,790</u>	<u>\$ 2,180,789</u>	<u>\$ 9,901,025</u>	<u># \$ 9,836,845</u>

See notes to financial statements.

UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
AS OF JUNE 30, 2019
WITH COMPARATIVE TOTALS FOR 2018

	PROGRAMS		OPERATIONS				TOTALS	
	Food Center	Community Investment	Direct Programs	Campaign	Marketing	Administration	2019	2018
Salaries	\$ 399,079	\$ 233,769	-	\$ 332,786	\$ 62,848	\$ 284,683	\$ 1,313,165	\$1,289,908
Benefits and taxes	164,328	73,790	-	97,672	20,075	90,365	446,230	398,117
TOTAL SALARY EXPENSES	563,407	307,559	-	430,458	82,923	375,048	1,759,395	1,688,025
Office expenses	3,152	1,800	-	3,001	600	3,264	11,817	9,231
Postage	50	1,221	-	3,207	-	1,212	5,690	8,503
Staff and volunteer expenses	4,179	3,452	-	9,570	323	3,375	20,899	18,380
Staff training and conferences	1,000	4,985	-	3,342	-	-	9,327	-
Campaign	-	-	-	27,929	-	-	27,929	33,764
Marketing and ads	-	-	-	-	50,763	-	50,763	49,034
Telephone	5,234	2,496	-	4,160	832	3,328	16,050	18,189
Utilities	43,271	5,374	-	8,956	1,792	7,165	66,558	58,049
Building maintenance	50,703	7,525	-	12,542	2,508	10,034	83,312	93,719
Equipment maintenance	9,206	5,774	-	9,624	1,925	7,699	34,228	29,953
Auto expenses	11,643	174	-	174	-	174	12,165	10,831
Insurance expense	24,324	3,222	-	5,371	1,074	4,297	38,288	38,175
Professional fees	12,202	8,659	-	14,433	2,886	51,571	89,751	170,339
Mortgage interest expense	-	2,376	-	3,961	792	3,169	10,298	10,143
Depreciation expense	81,211	10,091	-	16,819	3,364	13,455	124,940	126,794
UWW dues	3,065	11,064	-	14,645	3,010	13,549	45,333	51,379
UW of CT dues	439	1,586	-	2,100	432	1,943	6,500	6,500
Food donated (note 12)	2,816,054	-	-	-	-	-	2,816,054	3,209,825
Food purchased	23,110	-	-	-	-	-	23,110	37,999
Direct mailing expenses	2,786	-	-	-	-	-	2,786	5,634
Mobile pantry expense	5,346	-	-	-	-	-	5,346	5,180
Miscellaneous	894	-	-	-	-	-	894	2,053
Direct program support (note 11)	-	-	578,262	-	-	-	578,262	456,065
TOTAL FUNCTIONAL EXPENSES	\$3,661,275	\$ 377,358	\$ 578,262	\$ 570,292	\$ 153,224	\$ 499,283	\$ 5,839,695	\$6,137,764

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, interest, and office and occupancy, which are allocated on a square-footage basis, as well as salaries and benefits, which are allocated on the basis of estimates of time and effort.

See notes to financial statements.

UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.
STATEMENT OF CASH FLOW
AS OF JUNE 30, 2019
WITH COMPARATIVE TOTALS FOR 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 64,179	\$ 40,287
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	124,940	126,794
Realized (gains) losses	66,525	22,603
Unrealized (gains) losses	(285,203)	(174,947)
(Increase) decrease in operating assets		
Pledges receivable	68,748	222,083
Increase (decrease) in operating liabilities		
Accounts payable	(78,517)	26,920
Accrued expenses	11,757	12,489
Donor directed allocations payable	4,068	(27,632)
	(23,503)	248,597
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of investments	3,193,184	1,389,331
Purchase of investments	(3,248,548)	(1,449,533)
Payments made on mortgage	(37,989)	(37,151)
Payments for building improvements and equipment	(79,912)	(118,745)
	(173,265)	(216,098)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES		
CHANGE IN CASH	(196,768)	32,499
CASH - BEGINNING	2,219,033	2,186,534
CASH - ENDING	\$ 2,022,265	\$ 2,219,033

Cash paid for interest during 2019 was \$10,298.

See notes to financial statements.

UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Purpose

The United Way of Southeastern Connecticut, Inc.'s mission is to inspire and coordinate the generosity and commitment that sustains a united, thriving community.

Method of Accounting

The United Way of Southeastern Connecticut, Inc. maintains its books and records on the accrual basis. Under this method, pledges are recorded when made and expenses are recorded as incurred.

Financial Statement Presentation

The Organization follows the reporting requirements of GAAP, which requires that resources be classified for reporting purposes based on the existence or absence of donor-imposed restrictions. This is accomplished by classification of fund balances into two classes of net assets: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories and the types of transactions affecting each category follow:

- Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions. Items that affect this net asset category principally consist of donations and related expenses associated with the core activities of the Organization.
- With Donor Restrictions – Net assets subject to donor-imposed restrictions that will be met either by actions of the Organization or the passage of time. Items that affect this net asset category are for contributions for which donor-imposed restrictions have not been met in the year of receipt. Also included in this category are net assets subject to donor-imposed restrictions to be maintained permanently by the Organization.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, and therefore, has no provision for federal or state income taxes. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation.

The Organization recognizes the tax benefit from uncertain tax positions when it is more-likely-than-not the position will be sustained upon examination by taxing authorities. As of June 30, 2019, the Organization had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. In the normal course of business, the Organization's tax filings are subject to examination by federal and state taxing authorities. The Organization's tax returns for the last three years remain open for examination.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements, and support, revenue and expenses during the reporting period. Actual results could differ from those estimates.

UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash Equivalents

Cash equivalents as used in the statement of cash flows are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash.

Prior Year Comparative Totals

The financial information shown for 2018 in the accompanying financial statements is included to provide a basis for comparison with 2019 and presents summarized totals only. Such total amounts do not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such amounts should be read in conjunction with the Organization's financial statements for the year ended June 30, 2018, from which the comparative total amounts were derived.

Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Fair value is generally determined based on quoted prices in active markets. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities

Fair Values of Financial Instruments

The fair values of financial instruments have been determined through quoted market prices or present value techniques to approximate the amounts recorded in the statement of financial position.

Land, Building and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation.

Depreciation of the Organization's assets is calculated using the straight-line method over the estimated useful lives of the assets ranging from five to thirty years.

Restricted Funds

The Organization's restricted net assets consist of funds discussed in note 7. As required by generally accepted accounting principles, net assets associated with restricted funds are classified and reported based on the existence or absence of donor-imposed restrictions.

UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Funds (Continued)

The Organization classifies as restricted net assets (a) the original value of gifts donated to the restricted funds, (b) the original value of subsequent gifts to the restricted funds, and (c) accumulations to the restricted funds made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor restricted funds is classified as net assets with donor restrictions until it is appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by Connecticut UPMIFA which requires consideration of the following factors: (1) the duration and preservation of the restricted funds, (2) the purposes of the Organization and the restricted funds, (3) general economic conditions, (4) the possible effect of inflation or deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policy.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Subsequent Events

Management has evaluated subsequent events through September 6, 2019, the date which the financial statements were available for issue.

Recent Accounting Pronouncements

During 2018 the Organization adopted ASU No. 2016-14 – Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. This guidance is intended to improve the net asset classification requirements and the information presented in the financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows.

UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A recap of the net asset reclassifications driven by the adoption of ASU 2016-14 as of June 30, 2018 as follows:

Net Assets Classifications	ASU 2016-14 Classifications		Total Net Assets
	Without donor Restrictions	With donor Restrictions	
As previously presented:			
Unrestricted	\$ 7,619,562	\$ -	\$ 7,619,562
Permanently Restricted	-	197,562	197,562
Temporarily Restricted	-	2,019,721	2,019,721
Net assets as previously presented	7,619,562	2,217,283	9,836,845
Net assets, as reclassified	\$ 7,619,562	\$ 2,217,283	\$ 9,836,845

2. CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation and the National Credit Union Administration up to \$250,000. At year end cash balances exceeded this amount by \$17,589.

3. INVESTMENTS

The Investment Policy Statement sets an investment objective of preserving the long-term, real (inflation adjusted) value of invested assets, while providing access to a relatively stable stream of distributions in support of the Organization. These goals are expected to be achieved by means of diversified investments across and within multiple asset classes. Investment allocation target ranges are set at 50% - 70% for equities, 30% - 50% for fixed income, and 0% - 15% for alternative investments. Performance is assessed on a regular basis against benchmarks, and evaluated over a long-term investment horizon. The Organization retains an investment advisor to assist the Investment Committee with implementation of the Policy, including asset allocations selection of investment managers, and performance monitoring and evaluation.

Generally accepted accounting principles establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure the fair value. The three levels of the fair value hierarchy are described as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities where the organization has the ability to access at the measurement date;

Level 2 – Significant other observable inputs other than quoted prices included in level 1, which are observable for the asset or liability, either directly or indirectly (i.e. quoted prices in inactive markets, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency);

UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2019

3. INVESTMENTS (Continued)

Level 3 – Unobservable inputs are used to the extent that observable inputs are unavailable due to little, if any, market activity for the asset or liability. Unobservable inputs are developed based on the best information available, which might include the organization’s own data that reflects assumptions that market participants would use in pricing the asset or liability.

The following table sets forth by level, within the fair value hierarchy, the investments’ fair values as June 30, 2019:

	Fair Value	Level 1	Level 2	Level 3
Cash	\$ 146,340	\$ 146,340		
Fixed Income	570,569	570,569		
Equities	2,800,921	2,800,921		
Government Securities	739,911	739,911		
Alternative Investment	(3,832)	(3,832)		
Investments	<u>\$4,253,909</u>	<u>\$4,253,909</u>		
Beneficial Interest in Perpetual Trust	\$ 147,596		\$ 147,596	
Beneficial Interest in assets held by Community Foundation	\$ 174,235			\$ 174,235

4. LAND, BUILDING AND EQUIPMENT

A summary of land, building, and equipment is as follows:

Land and building	\$ 2,856,936
Equipment and vehicle	663,275
	3,520,211
Accumulated Depreciation	<u>(1,833,998)</u>
	<u>\$ 1,686,213</u>

5. BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATION

The Community Foundation of Southeastern Connecticut and the United Way of Southeastern Connecticut, Inc. entered into an agreement dated November 22, 1993, which created the United Way Fund (the Fund). The Fund is co-mingled and invested with the Community Foundation's pool of assets. The Fund is subject to the Community Foundation's investment guidelines and spending rule and is restricted to benefit the United Way of Southeastern Connecticut, Inc.

The funds were deposited into the Community Foundation's pool of assets. The United Way's contributions through 2019 were \$117,083. The market value of the Fund at June 30, 2019, was \$174,235.

UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2019

6. MORTGAGE PAYABLE

Mortgage note payable in monthly installments of \$3,941. Interest rate is a five-year adjustable with a current rate of 4.06%. The mortgage is due in full in 2023. The mortgage is secured by real estate of the Organization at 283 Stoddards Wharf Road, Gales Ferry, CT with a net book value of \$851,714.

\$ 188,096

Maturities on long-term debt are as follows:

2020	\$ 40,535
2021	42,212
2022	43,958
2023	45,776
2024	15,615

7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with restrictions are available for the following purposes or periods:

2018 Campaign	\$ 1,931,821
Point in Time	66
End Homelessness Fund	13,489
Labor Relations	6,227
Community Coalition for Children	11,704
Permanent Fund Appreciation	21,693
Smyser Perpetual Trust	147,597
General Endowment	48,208
	<u>\$ 2,180,789</u>

8. BOARD DESIGNATED NET ASSETS

Smith Fund

Mr. & Mrs. Laurence Smith's initial contribution to the United Way Pooled Income Fund was \$15,000, which was made in 1990. From 1997 to 2006, they contributed an additional \$1.5 million to this fund. In the fall of 2006, Mr. & Mrs. Smith renounced their right to the interest income in this fund, which gives United Way the control over this fund. At the end of 2006, the trust fund was officially transferred to United Way and was named the Smith Fund.

Dorothy Hunter Fund

In 1990, the United Way received \$514,000 from the Estate of Dorothy R. Hunter. There were no restrictions on the fund. In 1993, United Way transferred \$114,000 out of this fund to the Community Foundation of Southeastern CT to establish an endowment fund.

Gilman Fund

Mrs. Edna G. Gilman was an active supporter of United Way starting in 1962. Her services to United Way ranged from Allocation Committee member to United Way Board Chair. In recognizing Mrs. Gilman's services to this community, the Gilman Fund was established in her memory.

UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2019

8. BOARD DESIGNATED NET ASSETS (Continued)

Heritage Fund

This is a memorial fund. United Way receives donations from the public in memory of their loved ones and the funds are used at the discretion of the Board.

The above Funds are intended to support the following purposes, as well as any others that may be identified and approved by the Board of Directors:

- providing financial stability during times when expenses exceed revenue, but are not intended to support normal operating expenses on an ongoing basis;
- funding the cost of capital expenditure projects, such as the addition or replacement of major equipment and vehicles and the renovation or modification of facilities; and
- funding of special programs, as identified and approved by the Board, to address an immediate and urgent need that cannot be covered within the approved operating budget.

9. CONTRIBUTIONS

Contributions valued at \$153,224 were collected through special fund raising activities. These fundraisers are independent of the United Way's Annual Campaign and include contributions for the food center, project warm-up, loaned employees fund, and various other projects.

A substantial number of volunteers have donated significant amounts of their time in the Organization's program services and in its fund raising campaigns, however, only those services meeting the criteria for recording were included in the Statement of Activities.

10. AVAILABILITY OF FINANCIAL ASSETS

The following reflects United Way's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date:

Cash and cash equivalents	\$ 2,022,265
Pledges receivable	<u>1,982,230</u>
	<u>\$ 4,004,495</u>

As part of United Way of Southeastern Connecticut, Inc.'s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Although United Way of Southeastern Connecticut, Inc. does not intend to spend from any other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process amounts from other sources could be made available if necessary.

UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2019

11. DIRECT PROGRAMS

End Homeless	\$ 291,952
Project Warm-Up	21,414
New Capacities	64,572
Labor Relations	18,226
Day of Caring	7,044
CT ALICE	410
Individual Development Acct	6,000
Fiduciary programs	157,159
Wells Fargo Initiatives	<u>11,485</u>
	<u>\$ 578,262</u>

12. FOOD BANK

The food bank received 1,767,397 pounds of food in 2019. The estimated value of those items recorded in the financial statements is \$2,816,054. The Organization uses the Feeding America's price per pound to calculate the value of the donated food.

UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.
SCHEDULE OF DESIGNATIONS AND ALLOCATIONS TO AGENCIES
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Targeted Care Designation</u>	<u>Designations Through United Way</u>	<u>Allocations</u>	<u>Total</u>
Alliance for Living	\$ 4	\$ 720	\$ 76,194	\$ 76,918
American Red Cross	-	1,820	30,000	31,820
ARC/New London County	-	4,709	42,791	47,500
Catholic Charities	15	6,506	119,270	125,791
Child and Family Agency	32	2,214	350,838	353,084
Connecticut Legal Services	-	510	25,690	26,200
Covenant Shelter	11	2,569	48,228	50,808
Drop in Learning Center	-	-	72,783	72,783
Higher Edge	12	-	11,488	11,488
Jewish Federation	19	418	11,225	11,662
Madonna Place	16	5,453	131,323	136,792
Martin House	-	1,756	121,786	123,542
New London Homeless Hospitality	11	-	17,072	17,083
Opportunities Industrialization Center	-	1,316	79,681	80,997
Our Piece of the Pie (OPP)	12	-	9,988	9,988
Pawcatuck Neighborhood Center	19	10,293	38,027	48,339
Riverfront Children's Center	12	921	134,637	135,570
Safe Futures	20	5,505	150,845	156,370
S.C.A.D.D	12	1,862	90,077	91,951
Sound Community Services	4	-	34,385	34,389
Thames River Community Service	-	10,024	76,539	86,563
The Lighthouse Voc-Ed Center	12	-	13,763	13,775
T.V.C.C.A.	16	2,226	26,455	28,697
United Community and Family Services	16	1,572	329,062	330,650
United Cerebral Palsy Of Eastern Connecticut	84	1,059	31,787	32,930
United Way 2-1-1	-	-	41,727	41,727
Visiting Nurses Assoc. of Southeastern Connecticut	8	7,477	113,233	120,718
Designations to Other Non-Profit Organizations	-	171,955	-	171,955
TOTAL	\$ 335	\$ 240,885	\$ 2,228,894	\$ 2,470,090

See notes to financial statements.

UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.
SCHEDULE OF CHANGES IN BOARD DESIGNATED NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2019

	Balance July 1, 2018	Allocations/ Transfers from Other Funds (Net)	Realized Gain(loss)	Unrealized Gain(loss)	Investment Income and Donations	Direct Fund Expenses	Balance June 30, 2019
Smith Fund	\$ 2,838,766	\$ (27,859)	\$ (58,602)	\$ 221,367	\$ 71,232	\$ 28,525	\$ 3,016,378
Dorothy Hunter Fund	842,278	(8,031)	(16,360)	61,798	19,890	7,965	891,610
Capital Expenditures Fund	56,275	18,636	-	-	-	74,911	-
Gilman Fund	52,718	17,254	(1,004)	3,795	1,219	637	73,345
Heritage Fund	26,828	-	-	-	-	-	26,828
Interest in Assets held by Community Fdn	164,795	-	9,441	-	-	-	174,236
TOTAL	\$ 3,981,660	\$ -	\$ (66,525)	\$ 286,960	\$ 92,341	\$ 112,038	\$ 4,182,397

BOARD DESIGNATED NET ASSETS (note 8)

See notes to financial statements.