

UNITED WAY OF SOUTHEASTERN
CONNECTICUT, INC.

FINANCIAL STATEMENTS

JUNE 30, 2022



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

FINANCIAL STATEMENTS

JUNE 30, 2022

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

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, 2022, and the related statements of activities, functional expenses, and cash flows for the year 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 Southeastern Connecticut, Inc. as of June 30, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of Southeastern Connecticut, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Southeastern Connecticut, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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

Stacey L. Gualtieri, CPA
Audrey A. Leone, CPA

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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 Southeastern Connecticut, 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 Southeastern Connecticut, 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 Summarized Comparative Information

We have previously audited United Way of Southeastern Connecticut, Inc.'s 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 9, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.



DOHERTY, BEALS & BANKS, P.C.
New London, Connecticut

September 8, 2022

UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2022
WITH COMPARATIVE TOTALS FOR 2021

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Totals	
			2022	2021
ASSETS				
Cash-checking	\$ 252,119	\$ 463,632	\$ 715,751	\$ 954,910
Cash-savings	463,121	-	463,121	425,119
Total cash	715,240	463,632	1,178,872	1,380,029
Investments (note 3)	5,555,227		5,555,227	6,219,894
Pledges receivable (net of allowance for uncollectibles of \$132,301)	-	1,632,176	1,632,176	1,960,536
Grants receivable	126,819		126,819	242,093
Prepaid expenses	10,650		10,650	6,655
Land, building and equipment (net) (note 4)	1,889,362	-	1,889,362	1,912,337
Beneficial Interest in Perpetual Trust (note 3)	-	143,461	143,461	182,831
Beneficial Interest in assets held by Community Foundation (note 3 & 5)	168,638	-	168,638	209,553
TOTAL ASSETS	\$ 8,465,936	\$ 2,239,269	\$ 10,705,205	\$ 12,113,928
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts payable	\$ 127,327	\$ -	\$ 127,327	\$ 105,985
Deferred revenue	139,848	-	139,848	354,908
Paycheck Protection Program Loan	-	-	-	331,345
Donor directed allocations payable	-	171,468	171,468	93,718
TOTAL LIABILITIES	267,175	171,468	438,643	885,956
NET ASSETS				
Without donor restrictions				
Available for general activities	1,723,577	-	1,723,577	1,919,219
Invested in land, building, and equipment Board designated (note 7)	1,889,362	-	1,889,362	1,912,337
With donor restrictions	4,585,822	-	4,585,822	5,233,099
With donor restrictions	-	2,067,801	2,067,801	2,163,317
TOTAL NET ASSETS	8,198,761	2,067,801	10,266,562	11,227,972
TOTAL LIABILITIES AND NET ASSETS	\$ 8,465,936	\$ 2,239,269	\$ 10,705,205	\$ 12,113,928

See notes to financial statements.

UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.
STATEMENT OF ACTIVITIES
AS OF JUNE 30, 2022
WITH COMPARATIVE TOTALS FOR 2021

	Net Assets		Net Assets	Totals	
	Without Donor Restrictions	Designated		With Donor Restrictions	2022
SUPPORT AND REVENUE					
Annual Campaign results	\$ 91,830	\$ -	\$ 3,928,883	\$ 4,020,713	\$ 4,305,510
Less: amount designated by donors for specific organizations	-	-	(187,707)	(187,707)	(178,492)
Allowance for uncollectibles	-	-	(123,000)	(123,000)	(132,301)
Total Annual Campaign	91,830	-	3,618,176	3,710,006	3,994,717
Food Center revenue	3,512,023	-	-	3,512,023	3,332,567
Contributions (note 8)	424,065	-	107,932	531,997	419,901
Administrative fees retained on amounts designated and programs	58,569	-	-	58,569	94,502
Grants	783,572	-	-	783,572	513,014
Net Investment income	(37,478)	(595,875)	(39,370)	(672,723)	1,307,778
Net assets released from restriction:					
Expiration of time restriction	3,664,330	-	(3,664,330)	-	-
Purpose restriction accomplished	117,924	-	(117,924)	-	-
TOTAL SUPPORT AND REVENUE	8,614,835	(595,875)	(95,516)	7,923,444	9,662,479
ALLOCATIONS AND EXPENSES					
Allocations to agencies (page 15)	\$ 2,035,837	\$ -	\$ -	\$ 2,035,837	\$ 2,040,077
Food center	4,466,379	-	-	4,466,379	4,069,266
Community investment	306,314	-	-	306,314	224,739
Direct programs	814,746	-	-	814,746	673,261
Total Direct Support	7,623,276	-	-	7,623,276	7,007,343
Campaign	553,105	-	-	553,105	514,652
Marketing	164,062	-	-	164,062	158,107
Administration	493,008	51,402	-	544,410	610,487
TOTAL ALLOCATIONS AND EXPENSES	8,833,451	51,402	-	8,884,853	8,290,589
CHANGE IN NET ASSETS	(218,617)	(647,277)	(95,516)	(961,410)	1,371,890
NET ASSETS, BEGINNING	3,831,556	5,233,099	2,163,317	11,227,972	9,856,082
NET ASSETS, ENDING	\$ 3,612,939	\$ 4,585,822	\$ 2,067,801	\$ 10,266,562	# \$ 11,227,972

See notes to financial statements.

UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
AS OF JUNE 30, 2022
WITH COMPARATIVE TOTALS FOR 2021

	PROGRAMS			OPERATIONS			TOTALS	
	Food Center	Community Investment	Direct Programs	Campaign	Marketing	Administration	2022	2021
Salaries	\$ 480,682	\$ 174,135	\$ -	\$ 335,264	\$ 78,162	\$ 305,952	\$ 1,374,195	\$1,343,389
Benefits and taxes	199,774	50,568	-	89,518	22,698	88,846	451,404	423,799
TOTAL SALARY EXPENSES	680,456	224,703	-	424,782	100,860	394,798	1,825,599	1,767,188
Office expenses	3,340	2,988	-	3,920	784	3,289	14,321	12,023
Postage	-	1,512	-	5,693	-	1,564	8,769	5,961
Staff and volunteer expenses	5,413	2,959	-	3,805	405	3,141	15,723	12,397
Staff training and conferences	683	212	-	1,475	106	500	2,976	930
Campaign	-	-	-	17,055	-	-	17,055	9,951
Marketing and ads	-	-	-	-	33,279	-	33,279	46,480
Telephone	3,270	1,265	-	2,105	421	1,684	8,745	17,165
Utilities	45,603	7,740	-	12,900	2,579	10,321	79,143	68,269
Building maintenance	49,247	8,379	-	13,965	2,793	11,172	85,556	96,210
Equipment maintenance	5,591	14,972	-	10,726	985	8,769	41,043	36,982
Auto expenses	22,272	421	-	421	-	421	23,535	17,219
Insurance expense	28,075	3,316	-	5,527	1,105	4,422	42,445	41,622
Professional fees	12,313	10,405	-	14,530	2,063	72,508	111,819	110,793
Mortgage interest expense	-	-	-	-	-	-	-	5,684
Depreciation expense	105,743	13,140	-	21,899	4,380	17,519	162,681	158,682
UWW dues	13,502	13,502	-	13,502	13,502	13,502	67,510	65,208
UW of CT dues	800	800	-	800	800	800	4,000	6,500
Food donated (note 11)	3,222,806	-	-	-	-	-	3,222,806	2,787,696
Food purchased	241,641	-	-	-	-	-	241,641	302,445
Direct mailing expenses	11,101	-	-	-	-	-	11,101	-
Mobile pantry expense	8,100	-	-	-	-	-	8,100	6,429
Miscellaneous	6,423	-	-	-	-	-	6,423	1,417
Direct program support (note 10)	-	-	814,746	-	-	-	814,746	673,261
TOTAL FUNCTIONAL EXPENSES	\$4,466,379	\$ 306,314	\$ 814,746	\$ 553,105	\$ 164,062	\$ 544,410	\$ 6,849,016	\$6,250,512

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 FLOWS
AS OF JUNE 30, 2022
WITH COMPARATIVE TOTALS FOR 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (961,410)	\$ 1,371,890
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	162,681	158,682
Realized/unrealized (gains) losses	831,851	(1,091,035)
Forgiveness of PPP loan	(331,345)	(331,346)
(Increase) decrease in operating assets		
Pledges receivable	328,360	(363,616)
Grants receivable	115,274	(242,093)
Prepaid expenses	(3,995)	2,278
Increase (decrease) in operating liabilities		
Accounts payable	21,342	59,631
Deferred revenue	(215,060)	354,908
Donor directed allocations payable	77,750	(69,142)
	25,448	(149,843)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of investments	4,538,273	2,445,869
Purchase of investments	(4,956,517)	(2,585,811)
Payments made on mortgage	-	(148,404)
Payments for building improvements and equipment	(139,706)	(147,002)
	(557,950)	(435,348)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the Payroll Protection Program	331,345	331,346
	331,345	331,346
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES		
CHANGE IN CASH	(201,157)	(253,847)
CASH - BEGINNING	1,380,029	1,633,876
CASH - ENDING	\$ 1,178,872	\$ 1,380,029

See notes to financial statements.

UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2022

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.

Basis of Accounting

United Way of Southeastern Connecticut, Inc. prepared the accompanying financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The financial statements include the operations, assets and liabilities of the Organization. In the opinion of the Organization's management, the accompanying financial statements contain all adjustments, consisting of normal recurring accruals, necessary to fairly present the accompanying financial statements.

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, 2022, 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, 2022

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 2021 in the accompanying financial statements is included to provide a basis for comparison with 2022 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, 2021, 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.

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.

UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recognition of Support and Revenue

Grants and Contracts – Grants and contracts are generally considered to be exchange transactions in which the grantor or contractor requires the performance of specified activities.

Entitlement to cost reimbursement grants and contracts is conditioned on the expenditure of funds in accordance with grant restrictions and, therefore, support is recognized to the extent of grant expenditures. Entitlement to performance-based grants and contracts are conditioned to the attainment of specific performance goals and, therefore, support is recognized to the extent of performance achieved. Grant and contract receipts in excess of support recognized are presented as deferred revenue.

Contributions – Contributions are defined as voluntary, non-reciprocal transfers.

Contributions that are unconditional and without restrictions are recognized as support when received or pledged, if applicable. Contributions and grants that are restricted by the contributor or grantor are reported as increases in net assets with donor restrictions. Expirations of net assets with donor restrictions (*i.e.*, the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Conditional promises to give are not recognized as support until the conditions have been substantially met.

Contributed Assets – Donated assets (including the usage of assets such as rent) are recognized at their estimated fair market value.

United Way of Southeastern Connecticut, Inc. reports gifts of land, buildings, and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long-lived assets must be maintained, United Way of Southeastern Connecticut, Inc. reports expirations of donor restrictions in full when the donated or acquired long-lived assets are placed in service.

Contributed Services – United Way of Southeastern Connecticut, Inc. recognizes donated services if they create or enhance non-financial assets or require specialized skills and would typically be purchased if not provided by donation. General volunteer services do not meet these criteria for recognition in the financial statements.

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.

UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Management has evaluated subsequent events through September 8, 2022, the date which the financial statements were available for issue.

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. The organization has controls in place to keep cumulative bank balances below the insured amount.

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);

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, 2022:

UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2022

3. INVESTMENTS (Continued)

	Fair Value	Level 1	Level 2	Level 3
Cash	\$ 87,379	\$ 87,379		
Equities	3,516,065	3,516,065		
Fixed Income	1,744,492	1,744,492		
Alternative Investment	207,291	207,291		
Investments	\$5,555,224	\$5,555,224		
Beneficial Interest in Perpetual Trust	\$ 143,461		\$ 143,461	
Beneficial Interest in assets held by Community Foundation	\$ 168,638			\$ 168,638

4. LAND, BUILDING AND EQUIPMENT

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

Land and building	\$ 3,251,444
Equipment and vehicle	934,024
	4,185,468
Accumulated Depreciation	(2,296,106)
	\$ 1,889,362

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 2022 were \$117,083. The market value of the Fund at June 30, 2022, was \$168,638.

6. NET ASSETS WITH DONOR RESTRICTIONS

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

2021 Campaign	\$ 1,809,089
Funders Table for ending homelessness	14,969
End Homelessness Fund	9,634
Labor Relation	11,798
Community Coalition for Children	8,931
Fund Appreciation	21,694
	\$ 1,876,114

UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2022

6. NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Permanently restricted net assets are as follows:

Smyser Perpetual Trust	\$ 143,461
General Endowment	<u>48,208</u>
	<u>\$ 191,669</u>

Net assets were released from restriction during the year to satisfy their purpose or time restriction as follows:

2020 Campaign	\$ 1,855,210
Funders Table for ending homelessness	20,838
End Homelessness Fund	9,634
Labor Relations	14,285
Community Coalition for Children	<u>2,443</u>
Total	<u>\$ 1,902,410</u>

7. 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.

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:

UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2022

7. BOARD DESIGNATED NET ASSETS (Continued)

- 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.

8. CONTRIBUTIONS

Contributions valued at \$531,997 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.

9. 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	\$ 1,178,872
Pledges receivable	<u>1,632,176</u>
	<u>\$ 2,811,048</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, 2022

10. DIRECT PROGRAMS

End Homeless	\$ 523,860
Health Disparities Reduction	180,015
Project Warm-Up	11,131
Collective Impact Initiatives	73,732
Labor Relations	14,285
Community Coalition for Children	2,443
Other assistance	3,280
Individual Development Acct	<u>6,000</u>
	<u>\$ 814,746</u>

11. FOOD CENTER

The food center received 1,800,450 pounds of food in 2022. The estimated value of those items recorded in the financial statements is \$3,222,806. The Organization uses the Feeding America's price per pound to calculate the value of the donated food.

12. PAYCHECK PROTECTION PROGRAM (PPP)

On March 19, 2021, the Organization received loan proceeds from Chelsea Groton Savings Bank in the amount of \$331,345, pursuant to the Second Draw Paycheck Protection Program under section 311 of the Economic Aid to Hard-Hit Small Business, Nonprofits, and Venues Act (the "Economic Aid Act").

The loan, which was in the form of a note dated March 19, 2021, issued by the bank, matures on March 19, 2026, and bears interest at a rate of 1.00% per annum. The note may be prepaid by the Organization at any time prior to maturity. Funds from the loan and accrued interest are forgivable as long as the funds are used for eligible purposes. The Organization intends to use the entire loan amount for qualifying expenses. The Organization applied for and has been notified that \$331,345 spent on eligible expenditures for payroll and other expenses described in the CARES Act has been forgiven.

UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.
SCHEDULE OF DESIGNATIONS AND ALLOCATIONS TO AGENCIES
FOR THE YEAR ENDED JUNE 30, 2022

	Designations Through United Way	Allocations	Total
Alliance for Living	\$ 1,402	\$ 76,301	\$ 77,703
American Red Cross	3,269	30,000	33,269
ARC/New London County	3,235	44,895	48,130
Catholic Charities	3,444	46,424	49,868
Child and Family Agency	377	268,744	269,121
Connecticut Legal Services	-	26,717	26,717
Covenant Shelter	896	50,559	51,455
Higher Edge	222	11,768	11,990
Jewish Federation	28	12,650	12,678
Madonna Place	6,563	129,072	135,635
Martin House	2,439	119,117	121,556
New London Homeless Hospitality	2,105	15,447	17,552
Pawcatuck Neighborhood Center	6,204	43,529	49,733
Riverfront Children's Center	6,036	125,028	131,064
Safe Futures	7,812	150,900	158,712
S.C.A.D.D	1,425	92,149	93,574
Thames River Community Service	8,948	76,024	84,972
The Center A Drop in Community Program	852	71,087	71,939
The Lighthouse Voc-Ed Center	-	14,227	14,227
T.V.C.C.A.	1,041	28,602	29,643
United Community and Family Services	2,829	331,081	333,910
United Cerebral Palsy of Eastern Connecticut	532	32,751	33,283
United Way 2-1-1	-	35,922	35,922
Visiting Nurses Assoc. of Southeastern Connecticut	2,290	118,017	120,307
Grants to Youth Programs	-	84,826	84,826
Designations to Other Non-Profit Organizations	112,140	-	112,140
Allocations to agencies (page 15)			
TOTAL	\$ 174,089	\$ 2,035,837	\$ 2,209,926

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, 2022

	Balance July 1, 2021	Realized\ Unrealized Gain(loss)	Investment Income and Donations	Direct Fund Expenses	Balance June 30, 2022
BOARD DESIGNATED NET ASSETS (note 8)					
Smith Fund	\$ 3,534,753	\$ (495,329)	\$ 94,407	\$ (37,134)	\$ 3,096,697
Dorothy Hunter Fund	1,031,036	(138,239)	26,348	(10,364)	908,781
Gilman Fund	91,179	(11,018)	2,100	(826)	81,435
McKenna Fund	339,749	(41,053)	7,824	(3,078)	303,442
Community Foundation-The United Way Fund	209,554	(40,915)	-	-	168,639
Heritage Fund	26,828	-	-	-	26,828
TOTAL	\$ 5,233,099	\$ (726,554)	\$ 130,679	\$ (51,402)	\$ 4,585,822

See notes to financial statements.