

UNITED WAY OF SOUTHEASTERN  
CONNECTICUT, INC.

FINANCIAL STATEMENTS

JUNE 30, 2025



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

**FINANCIAL STATEMENTS**

**JUNE 30, 2025**

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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, 2025, 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, 2025, 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 opinions.

### 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 and *Government 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

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

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 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 29, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2025, on our consideration of United Way of Southeastern Connecticut, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering United Way of Southeastern Connecticut, Inc.'s internal control over financial reporting and compliance.



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

August 28, 2025

**UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2025**  
**WITH COMPARATIVE TOTALS FOR 2024**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Totals 2025	2024
<b>ASSETS</b>				
Cash-checking	\$ 109,986	\$ -	\$ 109,986	\$ 388,412
Cash-savings	1,441,173	217,758	1,658,931	1,356,478
Total cash	1,551,159	217,758	1,768,917	1,744,890
Investments (note 3)	7,220,499		7,220,499	6,570,886
Pledges receivable (net of allowance for uncollectibles of \$101,000)		1,894,458	1,894,458	1,946,958
Prepaid expenses	53,552		53,552	-
Land, building and equipment (net) (note 4)	1,891,131		1,891,131	1,750,408
Beneficial Interest in Perpetual Trust (note 3)		174,349	174,349	162,749
Beneficial Interest in assets held by Community Foundation (note 3 & 5)	185,472		185,472	180,036
<b>TOTAL ASSETS</b>	<b>\$ 10,901,813</b>	<b>\$ 2,286,565</b>	<b>\$ 13,188,378</b>	<b>\$ 12,355,927</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 497,760	\$ -	\$ 497,760	\$ 96,347
Deferred revenue	704,883		704,883	1,055,970
Donor directed allocations		58,848	58,848	137,752
<b>TOTAL LIABILITIES</b>	<b>1,202,643</b>	<b>58,848</b>	<b>1,261,491</b>	<b>1,290,069</b>
<b>NET ASSETS</b>				
Without donor restrictions				
Available for general activities	2,039,118		2,039,118	1,894,007
Invested in land, building, and equipment	1,891,131		1,891,131	1,750,408
Board designated (note 7)	5,768,921		5,768,921	5,254,100
With donor restrictions		2,227,717	2,227,717	2,167,343
<b>TOTAL NET ASSETS</b>	<b>9,699,170</b>	<b>2,227,717</b>	<b>11,926,887</b>	<b>11,065,858</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 10,901,813</b>	<b>\$ 2,286,565</b>	<b>\$ 13,188,378</b>	<b>\$ 12,355,927</b>

*See notes to financial statements.*

**UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.**  
**STATEMENT OF ACTIVITIES**  
**AS OF JUNE 30, 2025**  
**WITH COMPARATIVE TOTALS FOR 2024**

	Net Assets		Net Assets With Donor Restrictions	Totals	
	Without Donor Restrictions Undesignated	Designated		2025	2024
<b>SUPPORT AND REVENUE</b>					
Annual Campaign results	\$ (13,946)	\$ -	\$ 4,157,642	\$ 4,143,696	\$ 4,124,495
Less: amount designated by donors for specific organizations	-	-	(100,488)	(100,488)	(155,992)
Allowance for uncollectibles	-	-	(101,000)	(101,000)	(105,151)
Total Annual Campaign	(13,946)	-	3,956,154	3,942,208	3,863,352
Food Center revenue	5,632,179	-	-	5,632,179	5,446,998
Contributions (note 8)	86,169	349,570	10,002	445,741	508,191
Administrative fees retained on amounts designated and programs	12,802	-	-	12,802	21,418
Grants	3,799,422	-	-	3,799,422	960,106
Net Investment income	216,144	585,230	11,600	812,974	711,266
Net assets released from restriction:					
Expiration of time restriction	3,898,825	-	(3,898,825)	-	-
Purpose restriction accomplished	18,557	-	(18,557)	-	-
<b>TOTAL SUPPORT AND REVENUE</b>	13,650,152	934,800	60,374	14,645,326	11,511,331
<b>ALLOCATIONS AND EXPENSES</b>					
Allocations/grants to agencies (page 15)	1,734,317	-	-	1,734,317	1,514,018
Food center	6,835,361	-	-	6,835,361	6,412,706
Community investment	469,155	-	-	469,155	439,753
Direct programs	2,914,278	369,102	-	3,283,380	1,079,341
Total Direct Support	11,953,111	369,102	-	12,322,213	9,445,818
Campaign	722,624	-	-	722,624	579,764
Marketing	230,252	-	-	230,252	204,157
Administration	458,331	50,877	-	509,208	543,606
<b>TOTAL ALLOCATIONS AND EXPENSES</b>	13,364,318	419,979	-	13,784,297	10,773,345
<b>CHANGE IN NET ASSETS</b>	285,834	514,821	60,374	861,029	737,986
<b>NET ASSETS, BEGINNING</b>	3,644,415	5,254,100	2,167,343	11,065,858	10,327,872
<b>NET ASSETS, ENDING</b>	<u>\$ 3,930,249</u>	<u>\$ 5,768,921</u>	<u>\$ 2,227,717</u>	<u>\$ 11,926,887</u>	<u>\$ 11,065,858</u>

*See notes to financial statements.*

**UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**AS OF JUNE 30, 2025**  
**WITH COMPARATIVE TOTALS FOR 2024**

	PROGRAMS			OPERATIONS			TOTALS	
	Food Center	Community Investment	Direct Programs	Campaign	Marketing	Administration	2025	2024
Salaries	\$ 573,921	\$ 269,331	\$ -	\$ 440,112	\$ 104,004	\$ 268,437	\$ 1,655,804	\$1,554,637
Benefits and taxes	\$ 210,805	\$ 90,172	-	\$ 138,419	\$ 34,899	89,872	564,166	508,331
<b>TOTAL SALARY EXPENSES</b>	<b>784,726</b>	<b>359,502</b>	<b>-</b>	<b>578,531</b>	<b>138,903</b>	<b>358,308</b>	<b>2,219,970</b>	<b>2,062,968</b>
Office expenses	3,175	3,313	-	3,318	1,283	2,685	13,774	10,786
Postage	25	866	-	1,145	113	932	3,081	5,330
Staff and volunteer expenses	6,924	5,369	-	6,372	440	6,306	25,411	19,930
Staff training and conferences	783	5,409	-	5,750	2,141	5,626	19,709	4,626
Campaign	-	-	-	25,075	-	-	25,075	14,810
Marketing and ads	-	-	-	-	64,981	-	64,981	44,684
Telephone	7,817	2,962	-	3,555	592	2,370	17,296	14,884
Utilities	49,614	10,738	-	12,885	2,147	8,591	83,975	81,309
Building maintenance	92,489	13,398	-	16,078	2,680	10,719	135,364	101,240
Equipment maintenance	4,329	24,004	-	20,572	838	12,861	62,604	55,067
Auto expenses	26,692	-	-	-	-	-	26,692	28,967
Insurance expense	33,747	6,271	-	7,526	1,254	5,017	53,815	38,556
Professional fees	12,146	10,128	-	11,260	1,132	71,960	106,626	109,605
Depreciation expense	111,109	16,809	-	20,171	3,362	13,447	164,898	161,052
UWW dues	9,481	9,481	-	9,481	9,481	9,481	47,405	43,050
UW of CT dues	905	905	-	905	905	905	4,525	4,000
Food donated (note 11)	5,471,569	-	-	-	-	-	5,471,569	5,259,914
Food purchased	158,038	-	-	-	-	-	158,038	105,179
Warehouse Expense	3,319	-	-	-	-	-	3,319	4,131
Mobile pantry expense	1,521	-	-	-	-	-	1,521	427
Food Center Fundraising Expenses	56,952	-	-	-	-	-	56,952	9,471
Direct program support (note 10)	-	-	3,283,380	-	-	-	3,283,380	1,079,341
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 6,835,361</b>	<b>\$ 469,155</b>	<b>\$3,283,380</b>	<b>\$ 722,624</b>	<b>\$ 230,252</b>	<b>\$ 509,208</b>	<b>\$12,049,980</b>	<b>\$9,259,327</b>

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, 2025**  
**WITH COMPARATIVE TOTALS FOR 2024**

	<u>2025</u>	<u>2024</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 861,029	\$ 737,986
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	164,898	161,052
Realized/unrealized (gains) losses	(513,865)	(450,908)
(Increase) decrease in operating assets		
Pledges receivable	52,500	(123,065)
Prepaid expenses	(53,552)	29,793
Increase (decrease) in operating liabilities		
Accounts payable	401,413	1,307
Deferred revenue	(351,087)	1,030,970
Donor directed allocations payable	(78,904)	37,042
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	482,431	1,424,177
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale of investments	3,267,138	4,081,201
Purchase of investments	(3,419,921)	(4,232,266)
Payments for building improvements and equipment	(305,621)	(10,266)
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	(458,405)	(161,331)
<b>CHANGE IN CASH</b>	24,026	1,262,846
<b>CASH - BEGINNING</b>	<u>1,744,890</u>	<u>482,044</u>
<b>CASH - ENDING</b>	<u><u>\$ 1,768,917</u></u>	<u><u>\$ 1,744,890</u></u>

*See notes to financial statements.*



**UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF JUNE 30, 2025**

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**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, 2025, 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, 2025**

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**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 2024 in the accompanying financial statements is included to provide a basis for comparison with 2025 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, 2024, 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, 2025**

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**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.

**Leases**

Lease disclosures for the year ended June 30, 2025, are made under lease guidance in FASB ASC 840. This adoption did not require any financial or informational changes to the financial statements presented.

**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, 2025**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Subsequent Events**

Management has evaluated subsequent events through August 28, 2025, 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, 2025:

**UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF JUNE 30, 2025**

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**3. INVESTMENTS (Continued)**

	Fair Value	Level 1	Level 2	Level 3
Cash	\$ 273,561	\$ 273,561		
Equities	4,297,721	4,297,721		
Fixed Income	2,350,158	2,350,158		
Alternative Investment	299,059	299,059		
Investments	<u>\$7,220,499</u>	<u>\$7,220,499</u>		
Beneficial Interest in Perpetual Trust	\$ 174,349		\$ 174,349	
Beneficial Interest in assets held by Community Foundation	\$ 185,472			\$ 185,472

**4. LAND, BUILDING AND EQUIPMENT**

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

Land and building	\$ 3,287,144
Equipment and vehicle	911,000
	<u>4,198,144</u>
Accumulated Depreciation	<u>(2,349,371)</u>
	<u>\$ 1,848,773</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 2025 were \$117,083. The market value of the Fund on June 30, 2025, was \$185,473.

**6. NET ASSETS WITH DONOR RESTRICTIONS**

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

2025 Campaign	\$ 1,978,077
End Homelessness Fund	985
Labor Relation	4,387
Fund Appreciation	<u>21,694</u>
	<u>\$ 2,005,143</u>

**UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF JUNE 30, 2025**

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**6. NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

Permanently restricted net assets are as follows:

Smyser Perpetual Trust	\$ 174,349
General Endowment	<u>48,207</u>
	<u>\$ 222,556</u>

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

2024 Campaign	\$ 1,920,748
Labor Relations	9,907
End Homelessness Fund	<u>8,650</u>
Total	<u>\$ 1,939,305</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.

**UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF JUNE 30, 2025**

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**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 \$445,741 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	\$ 1,212,310
Pledges receivable	<u>1,894,458</u>
	<u>\$ 3,106,768</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, 2025**

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**10. DIRECT PROGRAMS**

Financial Security	\$ 2,668,530
Healthy Community	460,220
Youth Opportunity	127,753
Community Resiliency	<u>26,877</u>
	<u>\$ 3,283,380</u>

**11. FOOD CENTER**

The food center received 2,777,466 pounds of food in 2025. The estimated value of those items recorded in the financial statements is \$5,471,569. 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, 2025**

	<b>Designations Through United Way</b>	<b>Allocations</b>	<b>Appreciation Grant</b>	<b>Total</b>
Alliance for Living	\$ 1,604	\$ 54,360	\$ 10,000	\$ 65,964
American Red Cross	-	25,500	-	25,500
ARC/New London County	5,975	37,608	10,000	53,583
Catholic Charities	3,524	32,536	10,000	46,060
Child and Family Agency	2,779	203,867	10,000	216,646
Connecticut Legal Services	602	14,893	10,000	25,495
Covenant Shelter	939	47,119	10,000	58,058
Higher Edge	1,740	12,243	10,000	23,983
Jewish Federation	1,152	17,841	10,000	28,993
Madonna Place	3,437	99,829	10,000	113,266
Martin House	1,431	88,779	10,000	100,210
New London Homeless Hospitality	4,126	8,021	10,000	22,147
Pawcatuck Neighborhood Center	6,354	37,086	10,000	53,440
Riverfront Children's Center	4,073	94,446	10,000	108,519
Safe Futures	7,164	125,757	10,000	142,921
S.C.A.D.D	2,190	74,907	10,000	87,097
Thames River Community Service	8,959	63,118	10,000	82,077
The Center A Drop in Community Program	3,179	43,596	10,000	56,775
The Lighthouse Voc-Ed Center	1,539	12,406	10,000	23,945
T.V.C.C.A.	5,005	41,678	10,000	56,683
United Community and Family Services	1,592	230,563	10,000	242,155
United Cerebral Palsy of Eastern Connecticut	1,194	40,457	10,000	51,651
United Way 2-1-1	-	39,478	-	39,478
Visiting Nurses Assoc. of Southeastern Connecticut	2,279	68,229	10,000	80,508
Designations to Other Non-Profit Organizations	74,380	-	-	74,380
<b>TOTAL</b>	<b>\$ 145,217</b>	<b>\$ 1,514,317</b>	<b>\$ 220,000</b>	<b>\$ 1,879,534</b>

*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, 2025**

	Balance July 1, 2024	Realized\ Unrealized Gain(loss)	Investment Income and Donations	Direct Fund Expenses	Balance June 30, 2025
<b>BOARD DESIGNATED NET ASSETS</b> (note 7)					
Smith Fund	\$ 3,402,323	\$ 255,733	\$ 113,230	\$ (244,141)	\$ 3,527,145
Dorothy Hunter Fund	997,394	74,975	33,186	(71,570)	1,033,985
McKenna Fund	353,453	26,571	11,759	(25,363)	366,420
Gilman Fund	96,333	7,275	3,170	(923)	105,855
Gemma Moran Legacy Fund	197,733	44,187	359,277	(51,154)	550,043
Community Foundation-The United Way Fund	180,036	5,437	-	-	185,473
Heritage Fund	26,828	-	-	(26,828)	-
<b>TOTAL</b>	<u>\$ 5,254,100</u>	<u>\$ 414,178</u>	<u>\$ 520,622</u>	<u>\$ (419,979)</u>	<u>\$ 5,768,921</u>

*See notes to financial statements.*