

**UNITED WAY OF COASTAL AND WESTERN
CONNECTICUT, INC. AND ITS SUBSIDIARY**

Consolidated Financial Statements

Year Ended June 30, 2024

UNITED WAY OF COASTAL AND WESTERN CONNECTICUT, INC. AND ITS SUBSIDIARY

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Independent Auditor's Report

The Board of Directors
United Way of Coastal and Western Connecticut, Inc. and its Subsidiary
Danbury, Connecticut

Opinion

We have audited the accompanying consolidated financial statements of United Way of Coastal and Western Connecticut, Inc. and its Subsidiary, which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of United Way of Coastal and Western Connecticut, Inc. and its Subsidiary as of June 30, 2024, 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 (U.S. GAAP).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of United Way of Coastal and Western Connecticut, Inc. and its Subsidiary 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 Coastal and Western Connecticut, Inc. and its Subsidiary's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Coastal and Western Connecticut, Inc. and its Subsidiary'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Coastal and Western Connecticut, Inc. and its Subsidiary'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.

Emphasis of Matter

As discussed in Note 2 to the consolidated financial statements, the Organization has restated the prior year consolidated financial statements. Our opinion is not modified with respect to this matter.

Cirone Friedberg, LLP

Shelton, Connecticut
November 18, 2024

**UNITED WAY OF COASTAL AND WESTERN CONNECTICUT, INC.
AND ITS SUBSIDIARY**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024**

ASSETS

Cash and Cash Equivalents	\$ 2,896,518
Investments	5,364,723
Promises to Give, Net of Allowance for Uncollectible Promises of \$50,813	448,663
Designations Receivable from Others, Net of Allowance for Uncollectible Designations of \$2,488	23,048
Grants Receivable	691,202
Other Receivables	55,926
Prepaid Expenses and Other Assets	128,097
Improvements, Furniture, Equipment and Software, Net	92,798
Right-of-Use Assets - Operating Leases	698,694
Assets Restricted for Long-Term Investments - Endowments	150,746
Agency Assets	<u>182,710</u>
Total Assets	<u>\$ 10,733,125</u>

LIABILITIES AND NET ASSETSLiabilities

Accounts Payable and Accrued Expenses	\$ 1,189,393
Refundable Advances on Grants	188,671
Operating Lease Liabilities	738,211
Agency Liabilities	<u>182,710</u>
Total Liabilities	<u>2,298,985</u>

Net Assets

Without Donor Restriction:	
Net Investment in Improvements, Furniture, Equipment and Software	92,798
Board Designated	6,333,633
Undesignated - Available for Operations	<u>50,000</u>
Total Without Donor Restriction	6,476,431
With Donor Restriction	<u>1,957,709</u>
Total Net Assets	<u>8,434,140</u>

Total Liabilities and Net Assets **\$ 10,733,125**

See notes to consolidated financial statements.

**UNITED WAY OF COASTAL AND WESTERN CONNECTICUT, INC.
AND ITS SUBSIDIARY**

**CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

	Without Donor Restriction	With Donor Restriction	Total
Revenues, Gains and Other Support			
Campaign Revenue:			
Total Amounts Raised in Campaigns	\$ 1,801,297	\$ -	\$ 1,801,297
Less: Amounts Raised on Behalf of			
Others - Designations, Net	(305,264)	-	(305,264)
Less: Provision for Uncollectible Promises	(50,813)	-	(50,813)
	1,445,220	-	1,445,220
Add: Collections of Prior Year Campaigns in Excess of Amounts Anticipated	139,358	-	139,358
Campaign Revenue, Net	1,584,578	-	1,584,578
Grants	2,754,290	-	2,754,290
Contributions and Sponsorships	1,622,879	568,689	2,191,568
Investment Return, Net	738,544	26,902	765,446
Contributed Nonfinancial Assets	100,377	-	100,377
Fees and Other Income	291,294	-	291,294
Fund-raising Events	87,227	-	87,227
Designations from Other United Ways, Net	66,960	-	66,960
Total	7,246,149	595,591	7,841,740
Net Assets Released from Restrictions:			
Expiration of Time Restrictions	112,081	(112,081)	-
Satisfaction of Purpose Restrictions	334,688	(334,688)	-
Satisfaction of Time and Purpose Restrictions	1,179,538	(1,179,538)	-
Total Net Assets Released from Restrictions	1,626,307	(1,626,307)	-
Total Revenues, Gains and Other Support	8,872,456	(1,030,716)	7,841,740
Expenses			
Functional Expenses:			
Community Services:			
Program Services and Community Partnerships	4,910,791	-	4,910,791
Collective Action Initiatives	2,747,993	-	2,747,993
Total Community Services	7,658,784	-	7,658,784
Support Services:			
Resource Development and Marketing	630,373	-	630,373
Management and General	854,943	-	854,943
Total Support Services	1,485,316	-	1,485,316
Total Functional Expenses	9,144,100	-	9,144,100
Other Expense:			
Cost of Direct Benefits to Donors	19,790	-	19,790
Total Expenses	9,163,890	-	9,163,890
Change in Net Assets	(291,434)	(1,030,716)	(1,322,150)
Net Assets at Beginning of Year, as Previously Stated	4,145,053	2,094,788	6,239,841
Restatement	2,622,812	893,637	3,516,449
Net Assets at Beginning of Year, as Restated	6,767,865	2,988,425	9,756,290
Net Assets at End of Year	\$ 6,476,431	\$ 1,957,709	\$ 8,434,140

See notes to consolidated financial statements.

UNITED WAY OF COASTAL AND WESTERN CONNECTICUT, INC.
AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024

Cash Flows from Operating Activities	
Change in Net Assets	\$ (1,322,150)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:	
Depreciation and Amortization	32,216
Amortization of Right-of-Use Assets - Operating Leases	184,928
Provision for Uncollectible Promises to Give	50,813
Provision for Uncollectible Designations	2,488
Donated Investments	(257,343)
Realized Gains on Sale of Investments	(106,914)
Unrealized Appreciation on Investments	(387,372)
Changes in:	
Promises to Give	108,596
Designations Receivable from Others	(9,062)
Grants Receivable	(168,724)
Other Receivables	(39,906)
Prepaid Expenses and Other Assets	(14,225)
Agency Assets	72,920
Accounts Payable and Accrued Expenses	248,022
Revenue Received in Advance	(38,786)
Refundable Advances on Grants	(2,071,123)
Operating Lease Liabilities	(144,345)
Agency Liabilities	(72,920)
Total Adjustments	<u>(2,610,737)</u>
Net Cash Used by Operating Activities	<u>(3,932,887)</u>
Cash Flows from Investing Activities	
Purchase of Investments	(1,271,623)
Proceeds from Sale/Maturity of Investments	2,476,120
Purchase of Improvements, Furniture, Equipment and Software	(56,741)
Net Cash Provided by Investing Activities	<u>1,147,756</u>
Net Decrease in Cash and Cash Equivalents	(2,785,131)
Cash and Cash Equivalents - Beginning of Year	<u>5,801,519</u>
Cash and Cash Equivalents - End of Year	<u>\$ 3,016,388</u>

See notes to consolidated financial statements.

UNITED WAY OF COASTAL AND WESTERN CONNECTICUT, INC.
AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024

Supplemental Cash Flow Information

During 2024, the Organization obtained \$551,327 of right-of-use assets - operating leases in exchange for \$551,327 of operating lease liabilities.

Reconciliation of Cash and Cash Equivalents and Cash Restricted for Long-Term Investments - Endowments

Cash and Cash Equivalents	\$ 2,896,518
Cash Restricted for Long-Term Investments - Endowments	<u>119,870</u>

Total Cash and Cash Equivalents and Cash Restricted for Long-Term Investments - Endowments	<u>\$ 3,016,388</u>
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See notes to consolidated financial statements.

UNITED WAY OF COASTAL AND WESTERN CONNECTICUT, INC. AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	Community Services			Support Services			Total
	Program Services and Community Partnerships	Collective Action Initiatives	Total	Resource Development and Marketing	Management and General	Total	
Programs and Community Investments:							
Bridgeport Prospers	\$ -	\$ 430,379	\$ 430,379	\$ -	\$ -	\$ -	\$ 430,379
Danbury Collective	-	31,725	31,725	-	-	-	31,725
Stamford Cradle to Career	-	394,431	394,431	-	-	-	394,431
Direct Services Program	1,275,911	-	1,275,911	-	-	-	1,275,911
Other Community Investments	1,734,157	23	1,734,180	-	-	-	1,734,180
Less: Raised on Behalf of Others - Designations	(305,264)	-	(305,264)	-	-	-	(305,264)
Programs and Community Investments, Net	<u>2,704,804</u>	<u>856,558</u>	<u>3,561,362</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,561,362</u>
Employee Related Expenses:							
Salaries	1,461,239	1,233,088	2,694,327	400,508	546,147	946,655	3,640,982
Employee Benefits	158,362	191,332	349,694	52,097	71,041	123,138	472,832
Payroll Taxes	151,450	98,424	249,874	36,965	50,407	87,372	337,246
Sub-total Employee Related Expenses	<u>1,771,051</u>	<u>1,522,844</u>	<u>3,293,895</u>	<u>489,570</u>	<u>667,595</u>	<u>1,157,165</u>	<u>4,451,060</u>
Other Expenses:							
Professional and Consulting Fees	88,954	76,326	165,280	24,569	2,780	27,349	192,629
Office Supplies and Postage	19,284	12,042	31,326	4,657	6,350	11,007	42,333
Telephone and Internet	8,272	7,248	15,520	2,307	3,146	5,453	20,973
Printing and Promotion	27,200	19,304	46,504	6,913	9,410	16,323	62,827
Lease Expense	87,715	80,968	168,683	28,590	88,630	117,220	285,903
Insurance	14,370	12,592	26,962	4,008	5,465	9,473	36,435
Maintenance of Equipment	101,575	89,006	190,581	28,330	38,631	66,961	257,542
Fund-raising Events	-	-	-	17,747	-	17,747	17,747
Conferences, Training and Travel	21,938	19,224	41,162	6,119	8,344	14,463	55,625
Dues and Subscriptions	24,331	21,321	45,652	6,786	9,253	16,039	61,691
Miscellaneous	-	-	-	-	-	-	-
United Way Worldwide Dues	25,935	22,726	48,661	7,233	9,863	17,096	65,757
Sub-total Other Expenses	<u>419,574</u>	<u>360,757</u>	<u>780,331</u>	<u>137,259</u>	<u>181,872</u>	<u>319,131</u>	<u>1,099,462</u>
Total Before Depreciation and Amortization	4,895,429	2,740,159	7,635,588	626,829	849,467	1,476,296	9,111,884
Depreciation and Amortization	<u>15,362</u>	<u>7,834</u>	<u>23,196</u>	<u>3,544</u>	<u>5,476</u>	<u>9,020</u>	<u>32,216</u>
Total Functional Expenses	\$ 4,910,791	\$ 2,747,993	\$ 7,658,784	\$ 630,373	\$ 854,943	\$ 1,485,316	\$ 9,144,100

See notes to consolidated financial statements.

UNITED WAY OF COASTAL AND WESTERN CONNECTICUT, INC. AND ITS SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 1 - NATURE OF OPERATIONS

United Way of Coastal and Western Connecticut, Inc. (United Way) is a nonprofit organization dedicated to improving the lives of individuals and families, particularly those facing financial hardship. Serving 27 towns across Fairfield and Southern Litchfield Counties, United Way focuses on mobilizing community resources to address critical needs, supporting over 25% of the state's population. The organization focuses on the 40% of families living at or below the **ALICE** threshold (**A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed).

Incorporated as a not-for-profit organization under the Nonstock Corporation Act of Connecticut and exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code, United Way ensures that every dollar raised is used effectively to create meaningful impact.

Effective July 1, 2023, United Way, previously known as United Way of Western Connecticut, Inc., completed a merger with United Way of Coastal Fairfield County, Inc. The objective of the merger was to consolidate operations and increase the collective impact to the communities being served. As a result of the merger, United Way of Western Connecticut, Inc., as the surviving entity under a tax-free reorganization, amended its certificate of incorporation to change its name to United Way of Coastal and Western Connecticut, Inc. (see Note 2).

Board Governance

United Way operates under the leadership of a 21-member Board of Directors (Board), who provide expertise and oversight to guide the organization's mission. Additionally, five Community Councils identify local needs, build sustainable funding, and allocate resources to address specific regional priorities.

Direct Services: Education and Health

United Way delivers direct services in key areas: education, health, and financial stability. United Way focuses on early childhood education, ensuring children are ready for kindergarten, and on health initiatives, such as improving access to nutritious food for families facing food insecurity.

Collaboration and Collective Action

United Way is a leader in fostering collaboration through initiatives like the Stamford Food Collaborative and Danbury Food Collaborative, both aimed at reducing food insecurity. These partnerships bring together community stakeholders to create systemic change, addressing not only immediate needs but also the root causes of hunger and poverty. The organization provides backbone support to three Cradle to Career Collective Impact initiatives - Stamford Cradle to Career, Bridgeport Prospers, and Danbury Collective.

Grantmaking

United Way distributes Impact Philanthropy dollars to nonprofit agencies in the areas of health, education, and financial stability. These investments help build long-term community resilience by addressing critical needs. United Way administers three additional grant programs as a third-party grant manager - City of Danbury, Emergency Food and Shelter Program (EFSP), and Social Equity Council Community Reinvestment Pilot.

UNITED WAY OF COASTAL AND WESTERN CONNECTICUT, INC. AND ITS SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 1 - NATURE OF OPERATIONS (CONTINUED)

Resource Development and Volunteerism

Volunteerism is a cornerstone of United Way's work. The organization recruits, trains, and places volunteers in meaningful roles across the community, from corporate team projects to youth and senior volunteerism. United Way's resource development efforts are crucial to sustaining its work, focusing on cultivating donor relationships and engaging corporate partners to drive community impact. Through targeted fundraising campaigns, special events, planned giving, grant writing, and workplace campaigns, United Way ensures the financial resources necessary to address the needs of ALICE households and support long-term community initiatives.

In November 2019, United Way formed a single-member Limited Liability Company, Prosperity Digital Marketplace, LLC (LLC). The purpose of the LLC is to develop, operate and license a technology platform that delivers needed services to ALICE households that struggle to pay for basic necessities, such as food, housing, child care, health care and transportation, as determined by United Way.

The LLC qualifies as a disregarded entity under Internal Revenue Service regulations, and accordingly, their financial activities are reported within the tax returns of United Way.

NOTE 2 - RESTATEMENT OF 2023 FINANCIAL STATEMENTS

United Way has restated its previously issued financial statements as of and for the year ended June 30, 2023 to incorporate the accounts of United Way of Coastal Fairfield County, Inc. and to reclassify \$250,000 of contributions from net assets without donor restriction to net assets with donor restriction. As a result of this restatement, net assets without donor restriction and net assets with donor restriction increased by \$2,622,812 and \$893,637, respectively.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The financial activities of United Way and the LLC (collectively, the Organization) are reported within the consolidated financial statements. Intercompany balances and transactions have been eliminated during consolidation.

Basis of Presentation

The consolidated financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which require the Organization to report information regarding its consolidated financial position and activities according to the following net asset classifications:

UNITED WAY OF COASTAL AND WESTERN CONNECTICUT, INC. AND ITS SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (continued)

Net Assets Without Donor Restriction

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's Board.

The net investment in improvements, furniture, equipment and software consists of the net book value of improvements, furniture, equipment and software acquired with net assets without donor restrictions or donated assets.

The Board has also designated certain net assets without donor restriction.

Net Assets With Donor Restriction

Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. As of June 30, 2024, the Organization has net assets to be maintained in perpetuity in the amount of \$150,746.

Donor restricted contributions are reported as increases in net assets with donor restriction. When a restriction expires, or the restricted purpose is satisfied, net assets are reclassified from net assets with donor restriction to net assets without donor restriction in the consolidated statement of activities. If a restriction is fulfilled in the same period in which the contribution is received, the Organization reflects the support as a contribution without donor restriction.

Newly Adopted Accounting Standard

Effective July 1, 2023, the Organization adopted Accounting Standards Codification 326, *Financial Instruments - Credit Losses* (ASC 326), which significantly changes how entities measure credit losses for most financial assets and certain other instruments that are not measured at fair value through change in net assets. The most significant change in ASC 326 is a shift from the incurred loss model to the expected loss model, which requires consideration of a broader range of reasonable and supportable information to inform users of the financial statements about credit loss estimates, including an entity's exposure to credit risk and the measurement of credit losses. There were no financial assets held by the Organization that are subject to the guidance in ASC 326. The impact of the adoption of ASC 326 was not considered material to the consolidated financial statements.

Revenue Recognition

The Organization recognizes revenue from cost-reimbursable federal, state and city grants, which are conditioned upon certain performance requirements and/or the incurrence of certain allowable qualifying expenses, when the Organization has incurred expenditures in compliance with specific grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statement of financial position.

UNITED WAY OF COASTAL AND WESTERN CONNECTICUT, INC. AND ITS SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (continued)

The Organization recognizes contributions, designations and sponsorships when cash, securities, an unconditional promise to give, other assets, a notification of a beneficial interest, or a notification from other United Ways that an amount designated by a donor to an agency in the Organization's footprint are received. Conditional promises to give, that is, those with measurable performance or other barriers and right of return, are not recognized until the conditions on which they depend have been met.

The Organization recognizes fees and other income at a point in time, when they have satisfied their performance obligations, which is when the underlying services have been provided. These fees are billed monthly. The Organization utilizes standard payment terms and invoices are due on demand.

Support and Revenues

Contributions and Campaign Revenue

Contributions received or promises to give without donor-imposed restrictions are reflected as net assets without donor restriction. Contributions received or promises to give with donor-imposed restrictions are reflected as net assets with donor restriction in the accompanying consolidated financial statements. Contributions or promises to give with donor-imposed conditions are not recognized as contributions or promises to give in the accompanying consolidated financial statements until the period when the conditions are met.

Promises to give that are expected to be received within one year of the consolidated financial statement date are reflected at their net realizable value (the gross amount of the promises to give, net of an allowance for uncollectible promises). Promises to give that are expected to be collected more than one year after the consolidated financial statement date are reflected at the present value of their estimated future cash flows using a discount rate at the date the promise to give is received commensurate with the risks involved.

Contributions raised on behalf of others designated by donors to be paid to specific agencies or other United Ways (Designations) are considered agency transactions. Such Designations are reflected, net of a provision for uncollectible Designations, in the accompanying consolidated statement of activities as part of total amounts raised in campaigns, but are not considered to be part of the campaign revenue of the Organization and are therefore deducted to reflect the Organization's campaign revenue. The Organization earns administrative fees for the processing of designated contributions. The Organization has included in total revenues amounts raised by other United Ways that were designated by donors to be paid to the Organization. In addition, the Organization increases or reduces campaign revenue for any excess or shortfall collections of amounts raised in prior year campaigns.

UNITED WAY OF COASTAL AND WESTERN CONNECTICUT, INC. AND ITS SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Community Impact Grants and Other Distributions

Community impact grants and other distributions are made to programs approved by the Organization's Board from funds raised in the annual campaign. The Organization recognizes an expense and a liability when amounts are communicated to the partner organizations operating the programs in an award letter. The Organization has presented in the accompanying consolidated statement of activities gross community investments and other distributions with a reduction for community investments and other distributions funded through designations.

Contributed Nonfinancial Assets

Goods or services have been provided by various organizations, and a number of unpaid volunteers have contributed their time and resources in the Organization's planning, budgeting and community fund grants and other distribution activities and fund-raising campaigns.

Contributions are recognized if the goods or services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed goods or services that do not meet the above criteria are not recognized. None of the volunteer services provided to the Organization during the year ended June 30, 2024 were required to be recognized in the accompanying consolidated financial statements.

The following contributed goods and services and corresponding non-cash expenses were recognized in the accompanying consolidated financial statements during the year ended June 30, 2024:

In-kind and Non-Cash Contributions:	
Professional Services	\$ 2,500
Back to School Supplies	7,488
Books, Clothing and Other	83,403
Advertising	<u>6,986</u>
Total	<u>\$100,377</u>

The Organization has recognized contributed nonfinancial assets within revenue, gains and other support. Contributed nonfinancial assets did not have donor-imposed restrictions for the year ended June 30, 2024.

Contributed professional services consist primarily of donated legal services related to a restructuring of the Organization during the year ended June 30, 2024. These services benefited program services and are included in professional and consulting fees in the accompanying consolidated statement of functional expenses. Fair value was estimated based on current rates for similar services.

UNITED WAY OF COASTAL AND WESTERN CONNECTICUT, INC. AND ITS SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributed Nonfinancial Assets (continued)

Contributed back to school supplies, books, clothing and other consist of back packs, children's activity boxes and community conversation supplies. These goods are included in other community investments in the accompanying consolidated statement of functional expenses. The Organization estimated the fair value of these assets based on wholesale values for similar products in the United States.

Contributed advertising consisted of donated airtime on nationally broadcast television. The advertising was used to promote United Way Worldwide's shared mission, benefitted program services and is included in printing and promotion in the accompanying consolidated statement of functional expenses. Fair value was estimated based on current rates for similar services.

Cash Equivalents

The Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less, at the time of purchase, to be cash equivalents.

Investments

Investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investment return, net, includes realized gains and losses, unrealized appreciation or depreciation on investments, interest and dividends.

Beneficial Interest in Perpetual Trust

A donor has made an initial gift to a trustee, with the Organization having a remaining beneficial interest, but not the sole beneficial interest. The Organization has reflected its beneficial interest and a corresponding contribution with donor restriction for the present value of the estimated future benefit to be received when the trust assets are distributed. Changes in the value of the beneficial interest are included in the accompanying consolidated statement of activities within investment return, net.

Pooled Investment Funds Held by a Community Foundation

Investments are stated at net asset value, which approximates fair value. Realized gains or losses and unrealized appreciation or depreciation on all investments are reflected in the accompanying consolidated statement of activities as increases or decreases in net assets without donor restriction unless their use is temporarily restricted by donor stipulation until spent. Changes in the value of the pooled investment funds and any distributions received are included in the accompanying consolidated statement of activities within investment return, net.

UNITED WAY OF COASTAL AND WESTERN CONNECTICUT, INC. AND ITS SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowance for Uncollectible Promises to Give and Designations

An allowance for uncollectible promises to give and designations has been established which is evaluated periodically for adequacy based upon management's evaluation of past loss experience, known and inherent risks in its accounts plus other factors which could affect collectability.

Improvements, Furniture, Equipment and Software

All acquisitions of improvements, furniture, equipment and software are reflected at cost or their fair value at the date of the gift. Depreciation and amortization is provided for over the estimated useful lives of the assets on a straight-line basis, which range from three to fifteen years, including improvements, which are amortized over the terms of the respective leases. It is the Organization's policy to remove fully depreciated assets no longer in service from its financial records and to capitalize assets whose cost is \$1,500 or greater.

The Organization reviews the carrying value of improvements, furniture, equipment and software for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where discounted expected future cash flows are less than the carrying value, an impairment loss is recognized to reduce the carrying value of the assets to their fair value.

Leases

The Organization accounts for leases in accordance with ASC 842, *Leases* (ASC 842). The Organization is a lessee under both long-term and short-term operating leases for office space. Leases for other equipment are evaluated using the criteria outlined in ASC 842 to determine whether they will be classified as operating leases or finance leases. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when terms of an existing contract are changed. The Organization determines if an arrangement conveys the right to use an identified asset and whether the Organization obtains substantially all of the economic benefits from and has the ability to direct the use of the asset. The Organization recognizes a lease liability and right-of-use (ROU) asset at the commencement date of leases.

ROU Assets

An ROU asset is measured at the commencement date at the amount of the initially measured liabilities plus any lease payments made to the lessor before or after commencement date, minus any lease incentives received, plus any initial direct costs. Unless impaired, the ROU asset is subsequently measured throughout the lease term at the amount of the lease liability (that is the present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease cost for lease payments is recognized on a straight-line basis over the lease term as lease expense.

UNITED WAY OF COASTAL AND WESTERN CONNECTICUT, INC. AND ITS SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

Lease Liabilities

A lease liability is measured based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or rate and are measured using the index or rate in effect at the commencement date. Lease payments, including variable payments made based on an index rate, are remeasured when any of the following occur: (1) the lease is modified (and the modification is not accounted for as a separate contract), (2) certain contingencies related to variable lease payments are resolved, or (3) there is a reassessment of any of the following: the lease term, purchase options, or amounts that are probable of being owed under a residual value guarantee. The discount rate is the rate implicit in the lease if it is readily determinable; otherwise, the Organization uses a risk-free discount rate based on U.S. Treasury instruments for a comparable lease term based on the information available at the commencement date of the lease. The Organization used a risk-free rate for its operating leases.

Accounting Policy Election for Short-Term Leases

The Organization has elected for all underlying classes of assets, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less, but greater than 1 month at lease commencement, and do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise. The Organization recognizes lease cost associated with its short-term leases on a straight-line basis over the lease term.

Compensated Absences

Employees of the Organization are entitled to paid vacation and paid sick days depending on job classifications, length of service and other factors. The Organization's policy is to accrue compensated absences when incurred.

Advertising

Advertising costs are expensed as incurred.

UNITED WAY OF COASTAL AND WESTERN CONNECTICUT, INC. AND ITS SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis on the accompanying consolidated statement of activities. The consolidated statement of functional expenses presents the natural classification of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by the Organization on an equitable basis. Salaries, employee benefits and payroll taxes are allocated based on time and effort of individual employees. Lease expense and depreciation and amortization are allocated based on the square footage utilized by the various programs and support services. Shared costs, including professional and consulting fees, office supplies and postage, telephone and internet, printing and promotion, insurance, conferences, training and travel, dues and subscriptions, and United Way Worldwide dues are allocated based on the allocation of salaries, employee benefits and payroll taxes.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through November 18, 2024, the date the consolidated financial statements were available to be issued. Through that date, there were no material events that would require recognition or additional disclosure in the consolidated financial statements.

NOTE 4 - CONCENTRATION OF RISK

The Organization maintains cash, money market and investment accounts at various banks and brokerage firms. The cash accounts are insured up to \$250,000 by the Federal Deposit Insurance Corporation per bank. The money market and investment accounts are insured by the Securities Investor Protection Corporation up to \$500,000. At times during the year, these balances may have exceeded the insured limits. The Organization believes it is not exposed to any significant credit risk on cash.

UNITED WAY OF COASTAL AND WESTERN CONNECTICUT, INC. AND ITS SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 - LIQUIDITY

The Organization monitors liquidity required to meet its annual operating needs and other contractual commitments while also striving to maximize the return on investment of its funds not required for annual operations. As of June 30, 2024, the following financial assets are available to meet annual operating needs of the year ending June 30, 2025:

Financial Assets at Year End:	
Cash and Cash Equivalents	\$2,896,518
Investments	5,364,723
Promises to Give, Net	448,663
Designations Receivable from Others, Net	23,048
Grants Receivable	691,202
Other Receivables	<u>55,926</u>
Total	9,480,080
Less: Amounts Not Available for Use Within One Year:	
Net Assets With Donor Restriction, Time, Not Expected to be Satisfied Within One Year	286,958
Net Assets With Donor Restriction, Purpose, Not Expected to be Satisfied Within One Year	377,065
Net Assets With Donor Restriction, Time and Purpose, Not Expected to be Satisfied Within One Year	335,609
Net Assets Without Donor Restriction - Board Designated Not Expected to be Satisfied Within One Year	<u>5,417,835</u>
Financial Assets Available to Meet General Expenditures over the Next Year	<u>\$3,062,613</u>

The Board has designated a portion of its unrestricted resources for various purposes. These Board designated net assets do not contain donor restrictions and could be made available for current operations, if necessary. The Organization also has available a line of credit it could draw upon in the event of an unanticipated liquidity need.

NOTE 6 - INVESTMENTS

U.S. GAAP has established a definition and framework for measuring fair value, and disclosure about fair value measurements. The fair value hierarchy prioritizes the inputs used to measure fair value, requiring entities to maximize the use of markets or observable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs generally require significant management judgment.

The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted in active markets for identical assets or liabilities.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability such as quoted prices for similar assets or liabilities.
- Level 3 inputs are unobservable inputs for the assets or liability.

UNITED WAY OF COASTAL AND WESTERN CONNECTICUT, INC. AND ITS SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 6 - INVESTMENTS (CONTINUED)

Investments at June 30, 2024 categorized according to the fair value hierarchy for those investments subject to categorization in the fair value hierarchy are summarized as follows:

Description	Fair Value Measurements Using			Investments Valued at Net Asset Value	Total
	Level 1	Level 2	Level 3		
Money Market Funds	\$ 706,979	\$ -	\$ -	\$ -	\$ 706,979
Fixed Income Securities	1,571,919	-	-	-	1,571,919
Equities:					
Mutual Funds	2,808,191	-	-	-	2,808,191
Common Stocks	62,954	-	-	-	62,954
Beneficial Interest in Perpetual Trust	168,706	-	-	-	168,706
Pooled Investment Funds Held by a Community Foundation	-	-	-	76,850	76,850
Total Investments	\$5,318,749	\$ -	\$ -	\$ 76,850	\$5,395,599

Beneficial Interest in Perpetual Trust

The Organization is the income beneficiary of a proportional beneficial interest in a perpetual trust whose assets are held and managed by a bank. As of June 30, 2024, the Organization's share of the fair value of the trust was \$259,016, of which \$90,310 represented the original net assets with donor restriction - endowment principal, and \$168,706 represented undistributed income classified as net assets with donor restriction.

Pooled Investment Funds Held by a Community Foundation

The Organization has transferred assets to Fairfield County Community Foundation (FCCF), which is holding them as an agency fund (Fund) for the benefit of the Organization. The Organization has granted FCCF sole investment authority over the Fund. FCCF is authorized to invest any asset of the Fund, and to sell, exchange or otherwise dispose of any such asset and reinvest the proceeds of such disposition in every kind of property and type of investment permissible under the applicable laws of the state of Connecticut. The Fund is subject to the investment and spending policies adopted by FCCF, which strives to provide a predictable stream of funding for their programs while seeking to maintain the purchasing power of the endowment assets. FCCF uses a total return strategy to achieve investment returns through capital appreciation and current yield and targets a diversified asset allocation among equity, debt, and alternative investments that balances growth, income and liquidity. The spending rate is 5% of the previous 12 quarterly average portfolio market values and includes grants and administrative fees.

Management has elected to treat these funds as an alternative investment fund in accordance with Financial Accounting Standards Board Accounting Standards Update 2015-07 (ASU 2015-07), *Fair Value Measurement (Topic 820)*.

UNITED WAY OF COASTAL AND WESTERN CONNECTICUT, INC. AND ITS SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 6 - INVESTMENTS (CONTINUED)

Pooled Investment Funds Held by a Community Foundation (continued)

Changes in the Fund for the year ended June 30, 2024 are as follows:

Beginning Balance	\$72,495
Distributions Received	(2,626)
Investment Fees	(1,268)
Net Investment Return	<u>8,249</u>
Ending Balance	<u>\$76,850</u>

In accordance with ASU 2015-07, the Organization has elected to use Net Asset Value (NAV) as a practical expedient for estimating fair value of alternative investments.

Information regarding alternative investments measured at NAV using the practical expedient at June 30, 2024 is as follows:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Pooled Investment Funds Held by a Community Foundation	<u>\$ 76,850</u>	<u>\$ -</u>	N/A	0 - 90 days

FCCF carries its investments in publicly traded equity and debt securities at fair value based upon quoted market prices, mutual funds at daily reported NAV and certificates of deposit at cost plus accrued interest. FCCF's investments are comprised of approximately 17% equities, 9% fixed income funds, 67% alternative investments, 2% certificates of deposit and 5% cash. Alternative investments consist primarily of foreign and domestic equity, hedge funds, global fixed income, liquid real assets and private markets.

Investments at June 30, 2024 were reflected in the accompanying consolidated statement of financial position as follows:

Investments	\$5,364,723
Assets Restricted for Long-Term Investments - Endowments	<u>30,876</u>
Total	<u>\$5,395,599</u>

UNITED WAY OF COASTAL AND WESTERN CONNECTICUT, INC. AND ITS SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 7 - PROMISES TO GIVE, CAMPAIGN REVENUE AND CONCENTRATION OF RECEIVABLE CREDIT RISK

Concentrations of credit risk arise due to the Organization's solicitation of promises for charitable contributions from companies and individuals located within the western Connecticut area. The Organization does not obtain collateral for its promises, but monitors the status of its past due receivables and provides an allowance for uncollectible promises. The Organization had one major corporate donor, including their employees, during the year ended June 30, 2024 that accounted for approximately 11% of total amounts raised in campaigns, and two corporate donors that accounted for approximately 55% of amounts raised on behalf of others. Amounts due from one donor was approximately 13% of gross promises to give for the year ended June 30, 2024.

Total amounts raised in campaigns for the year ended June 30, 2024, and promises to give, net at June 30, 2024, primarily from the 2023-2024 campaign, were comprised of the following:

<u>Annual Campaign Support</u>	
Local Campaign Promises - Due in One Year or Less	\$ 1,801,297
Less: Provision for Uncollectible Promises to Give	<u>(50,813)</u>
Net Annual Campaign Support	1,750,484
 <u>Amounts Collected</u>	
Local Campaign Promises	<u>(1,143,130)</u>
Promises to Give, Including Designation to Other Agencies, Net	607,354
Less: Designation to Other Agencies Reflected as Amounts Raised on Behalf of Others	<u>(158,691)</u>
Promises to Give, Net	<u>\$ 448,663</u>

NOTE 8 - IMPROVEMENTS, FURNITURE, EQUIPMENT AND SOFTWARE, NET

Improvements, furniture, equipment and software, net at June 30, 2024 consisted of the following:

Leasehold Improvements	\$ 41,341
Office Furniture, Equipment and Software	<u>132,583</u>
	173,924
Less: Accumulated Depreciation and Amortization	<u>(81,126)</u>
Improvements, Furniture, Equipment and Software, Net	<u>\$ 92,798</u>

UNITED WAY OF COASTAL AND WESTERN CONNECTICUT, INC. AND ITS SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 9 - AGENCY ASSETS AND LIABILITIES

Designations

The Organization acts as an agent with respect to certain portions of its fund-raising campaigns for which contributions are designated by the donors to be paid to specific agencies or other United Ways. Agency assets consist primarily of promises to give and cash not yet remitted. Agency liabilities consist primarily of designations payable to agencies and other United Ways.

National Processing Accounts

The Organization acts as a processing agent for certain companies' national fund-raising campaigns. The portion of these campaign pledges that are managed and processed by the Organization, but are designated to other United Ways and their agencies, are considered agency assets and liabilities. The Organization recognizes campaign revenue and an equal amount for amounts raised on behalf of others - designation expense for amounts raised outside of the Organization's solicitation area for national campaigns managed by the Organization.

Fiduciary Program Funds

The Organization acts as a fiscal processing agency for several community organizations which carry out community impact programs. Promises to give and cash collected and held on behalf of these organizations, to be disbursed at the direction of these organizations, are considered agency assets and liabilities.

Agency assets and liabilities consisted of cash and uncollected promises to give of the following at June 30, 2024:

Designations	\$ 67,804
National Processing Accounts	90,887
Fiduciary Programs Funds	<u>24,019</u>
Total	<u>\$182,710</u>

During the year ended June 30, 2023, the Organization received \$2,000,000 from the Connecticut Social Equity Council to support broad-based economic reinvestment in targeted communities. During the year ended June 30, 2024, the Organization distributed \$1,800,000 of this amount to agencies in Bridgeport and Stamford, Connecticut and recognized \$200,000 in administrative fees, included in fees and other income in the consolidated statement of activities. In accordance with U.S. GAAP, the receipt and distributions qualify as agency transactions and, as such, no amounts have been recognized by the Organization.

UNITED WAY OF COASTAL AND WESTERN CONNECTICUT, INC. AND ITS SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 10 - LINE OF CREDIT

The Organization has a \$500,000 revolving line of credit agreement, subject to annual review and renewal. The line of credit bears interest at the prime rate plus 1.0%. The prime rate at June 30, 2024 was 8.50%. The line of credit is secured by the investments in the account at the brokerage affiliate of Union Savings Bank, with the Organization being required to maintain a minimum balance of \$1,000,000. The Organization's Board has adopted a line of credit spending policy indicating that the line of credit is intended to be used solely for short-term cash flow timing needs.

There were no borrowings against the line of credit at June 30, 2024. There was no interest expense on the line of credit for the year ended June 30, 2024.

NOTE 11 - NET ASSETS WITHOUT DONOR RESTRICTION - BOARD DESIGNATED

As of June 30, 2024, the Board has designated the following amounts for the purposes indicated:

Stabilization Reserve Fund (a)	\$2,000,000
Legacy Gift (b)	1,548,650
Community Investments - Future (c)	1,254,030
Cradle to Career Collective Impact Reserve Fund (d)	700,000
Community Impact Operations (e)	357,800
Children's Program and Services (f)	309,666
Furthering Volunteerism (g)	145,419
Capital Improvements Fund (h)	<u>18,068</u>
Total Board Designated	<u>\$6,333,633</u>

- (a) To insure against unforeseen campaign, economic and organizational circumstances.
- (b) To fund future programs and operations.
- (c) To fund future community impact initiatives.
- (d) To fund future collective impact initiatives.
- (e) To fund future grants or endowments for community impact programs.
- (f) To fund children's programs and services benefitting children in north Fairfield county.
- (g) To fund future programs to encourage volunteerism.
- (h) To fund anticipated capital improvement needs.

UNITED WAY OF COASTAL AND WESTERN CONNECTICUT, INC. AND ITS SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 12 - NET ASSETS WITH DONOR RESTRICTION

The activity in net assets with donor restriction for the year ended June 30, 2024 and the balances as of June 30, 2024 and 2023 are summarized as follows:

	Balance June 30, 2023	Contributions and Gains	Released from Restriction	Balance June 30, 2024
Time Restricted:				
Contributions	\$ 100,000	\$100,000	\$ 100,000	\$100,000
Beneficial Interest in Perpetual Trust	149,885	26,902	8,081	168,706
Promises to Give	4,000	-	4,000	-
Accumulated Earnings on Permanently Restricted Net Assets Not Appropriated for Expenditure	<u>18,252</u>	<u>-</u>	<u>-</u>	<u>18,252</u>
	<u>272,137</u>	<u>126,902</u>	<u>112,081</u>	<u>286,958</u>
Purpose Restricted:				
ALICE Programs	366,878	-	110,396	256,482
Bridgeport Prospers - Strive Together	163,825	102,185	163,825	102,185
Pepperidge Farm Funds	46,265	-	-	46,265
PT Partners	27,927	16,940	27,927	16,940
Kids Backpack Friday	21,299	-	-	21,299
ALICE Saves	20,045	-	20,045	-
Commence! College Consulting	17,593	-	-	17,593
East Side Neighborhood Project	13,891	-	-	13,891
Heart of Gold Scholarship	10,000	-	5,933	4,067
CT C2C Coalition	-	10,000	-	10,000
Other Restricted Programs	<u>29,954</u>	<u>10,150</u>	<u>6,562</u>	<u>33,542</u>
	<u>717,677</u>	<u>139,275</u>	<u>334,688</u>	<u>522,264</u>
Time and Purpose Restricted:				
ALICE Long Term Sustainability	831,359	-	361,068	470,291
Stamford Cradle to Career	408,827	71,406	408,827	71,406
Synchrony - Collective Action	250,000	-	130,000	120,000
Danbury Collective Impact	84,022	103,008	84,022	103,008
Agewell CT Ambassador Program	74,935	56,000	38,697	92,238
Healthy Savings Program	87,500	73,000	87,500	73,000
The Volunteer Center - Save Program	30,347	26,000	22,742	33,605
ALICE Long Term Sustainability - Food Policy Manager	64,875	-	45,129	19,746
Other Restricted Programs	<u>16,000</u>	<u>-</u>	<u>1,553</u>	<u>14,447</u>
	<u>1,847,865</u>	<u>329,414</u>	<u>1,179,538</u>	<u>997,741</u>
Perpetually Restricted	<u>150,746</u>	<u>-</u>	<u>-</u>	<u>150,746</u>
Total Net Assets With Donor Restriction	<u>\$2,988,425</u>	<u>\$595,591</u>	<u>\$1,626,307</u>	<u>\$1,957,709</u>

UNITED WAY OF COASTAL AND WESTERN CONNECTICUT, INC. AND ITS SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 12 - NET ASSETS WITH DONOR RESTRICTION (CONTINUED)

Endowments

Perpetually restricted net assets at June 30, 2024 consisted of the following endowment funds:

Hattie Auger	Norman Leeds	Jennie C. Walkley
Doris P. Guy	Benjamin B. Steiber	Logan Fund
Perry Hurd	Marie Soules	One Plus Fund, Which is Held at FCCF
James Ward Trust		

Assets restricted for long-term investment - endowments at June 30, 2024 consisted of the following:

Cash and Cash Equivalents	\$119,870
Investments	<u>30,876</u>
Total	<u>\$150,746</u>

U.S. GAAP requires certain provisions relating to "Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institution Funds Act (UPMIFA), and Enhanced Disclosures for All Endowment Funds". The provisions provide disclosures about an organization's endowment funds to enable users of the financial statements to understand the net asset classifications, net asset composition, changes in net asset composition, spending policy and related investment policy of an organization's endowment funds.

The Board of the Organization has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the endowment contributions unless there are explicit donor stipulations to the contrary. None of the Organization's endowment contributions have any such stipulations. As a result, the Organization retains in perpetuity the original value of the initial and subsequent gift amounts.

The Organization considers a fund to be underwater if the fair value of the fund is less than the sum of the original value of initial and subsequent gift amounts donated to the fund and any accumulations to the fund that are required to be maintained in perpetuity in accordance with donor stipulations. The Organization has no underwater endowment funds at June 30, 2024.

Perpetually restricted - endowments consist of net assets whose use is limited by donor-imposed restrictions that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Organization. There were no perpetually restricted contributions received by the Organization during the year ended June 30, 2024. As of June 30, 2024, the Organization had net assets to be maintained in perpetuity in the amount of \$150,746.

UNITED WAY OF COASTAL AND WESTERN CONNECTICUT, INC. AND ITS SUBSIDIARY

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 12 - NET ASSETS WITH DONOR RESTRICTION (CONTINUED)

Endowments (continued)

Activity in the Organization's endowments for the year ended June 30, 2024 was as follows:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>With Donor Restriction - Endowment</u>	<u>Total</u>
Balance - July 1, 2023	\$ -	\$168,137	\$150,746	\$318,883
Unrealized Appreciation of Perpetual Trust	-	26,902	-	26,902
Distribution of Approved Spending from Endowment Total Return	8,081	(8,081)	-	-
Utilization of Total Return	<u>(8,081)</u>	<u>-</u>	<u>-</u>	<u>(8,081)</u>
Balance - June 30, 2024	\$ <u>-</u>	\$ <u>186,958</u>	\$ <u>150,746</u>	\$ <u>337,704</u>

The accumulated unspent appreciation on net assets with donor restriction - endowments at June 30, 2024 consisted of the following:

Beneficial Interest in Perpetual Trust	\$168,706
Accumulated Earnings on Net Assets With Donor Restriction - Endowment Not Appropriated for Expenditure	<u>18,252</u>
Total	\$ <u>186,958</u>

NOTE 13 - GRANTS

Grants receivable and refundable advances on grants at June 30, 2024 and grant revenue for the year ended June 30, 2024 consist of the following:

<u>Grantor</u>	<u>Grants Receivable</u>	<u>Refundable Advances on Grants</u>	<u>Grant Revenue</u>
Federal	\$658,293	\$ 7,446	\$1,797,174
State	10,000	181,225	344,808
Private	<u>22,909</u>	<u>-</u>	<u>612,308</u>
Total	\$ <u>691,202</u>	\$ <u>188,671</u>	\$ <u>2,754,290</u>

UNITED WAY OF COASTAL AND WESTERN CONNECTICUT, INC. AND ITS SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 13 - GRANTS (CONTINUED)

The Organization typically receives grants from government agencies. Under the terms and conditions of these grants, expenditures and compliance with the provisions of such grants are subject to audit by the grantors. Management of the Organization does not anticipate that there would be any changes as a result of an audit.

NOTE 14 - FUNDRAISING

The Organization's fund-raising activities consist primarily of a Golf Tournament, along with other fund-raising events including the King of The Hill 5K. A summary of fund-raising activities for the year ended June 30, 2024 is as follows:

Revenue	<u>\$87,227</u>
<u>Expenses</u>	
Fund-raising and Other Event Expenses	17,747
Direct Benefits to Donors	<u>19,790</u>
Total Expenses	<u>37,537</u>
Net Revenue	<u>\$49,690</u>

NOTE 15 - REVENUES FROM CONTRACTS WITH CUSTOMERS

Disaggregated Revenues

For the year ended June 30, 2024, fees and other income recognized at a point in time were \$291,294.

The Organization's revenue, results of operations, and cash flows are affected by a wide variety of factors, including general economic conditions, geographical regions of donors and sponsors, type of contract and contract duration.

NOTE 16 - RETIREMENT AND BENEFIT PLANS

The Organization maintains 401(k) and 403(b) plans to which it contributes 5% of each eligible employee's salary. In addition, all eligible employees may make voluntary pre-tax contributions to the 401(k) or 403(b) plan, subject to annual limits. The Organization will match 50% of the employee's contribution, not to exceed 2% of their salary.

Employer contributions of approximately \$193,400 for the year ended June 30, 2024 is included in employee benefits.

UNITED WAY OF COASTAL AND WESTERN CONNECTICUT, INC. AND ITS SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 17 - LEASES

Short-Term Lease

The Organization leases office space in New Milford, Connecticut, on a month-to-month basis in order to service the Southern Litchfield County community. Short-term lease costs of \$3,600 are included in lease expense for the year ended June 30, 2024.

Operating Lease - Stamford

The Organization has an operating lease for office space in Stamford, Connecticut through July 2025. The lease requires monthly base lease payments of \$7,521 and includes a security deposit of \$15,000. The lease also requires the Organization to pay its pro-rata share of real estate taxes and operating expenses. These variable expenses are not included in the lease payments used to determine lease liabilities and are recognized as variable lease costs when incurred.

Operating Lease - Danbury

The Organization has an operating lease for office space in Danbury, Connecticut through July 2026 which requires monthly base lease payments ranging from \$4,006 to \$4,188. The lease also requires the Organization to pay its pro-rata share of utilities. These variable expenses are not included in the lease payments used to determine lease liabilities and are recognized as variable lease costs when incurred.

Operating Lease - Bridgeport

The Organization has an operating lease for office space in Bridgeport, Connecticut through September 2030, which requires monthly base lease payments ranging from \$7,198 to \$8,045. The lease also requires the Organization to pay its pro-rata share of utilities and, starting in August 2027, additional base lease costs subject to the consumer price index, as defined. These variable expenses are not included in the lease payments used to determine lease liabilities and are recognized as variable lease costs when incurred.

At June 30, 2024, the weighted-average remaining lease term and weighted-average discount rate for operating leases was 6 years and 4%, respectively. Cash paid for amounts included in the measurement of lease liabilities was \$187,292 for the year ended June 30, 2024.

Total operating lease and variable lease costs of approximately \$230,800 and \$51,500, respectively, are included in lease expense in the consolidated statement of functional expenses for the year ended June 30, 2024.

UNITED WAY OF COASTAL AND WESTERN CONNECTICUT, INC. AND ITS SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 17 - LEASES (CONTINUED)

Future minimum payments under the operating leases are as follows at June 30, 2024:

<u>Years Ending June 30,</u>	<u>Amount</u>
2025	\$230,700
2026	153,000
2027	100,700
2028	96,500
2029	96,500
Thereafter	<u>120,700</u>
	798,100
Less Present Value Adjustment	<u>(59,900)</u>
Present Value of Operating Lease Liabilities	<u>\$738,200</u>