

**UNITED WAY OF WEST CENTRAL
CONNECTICUT, INC.**
Financial Statements
June 30, 2020

UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.
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KIRCALDIE, RANDALL & MCNAB LLC

CERTIFIED PUBLIC ACCOUNTANTS

NORTH HAVEN, CONNECTICUT 06473

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
United Way of West Central Connecticut, Inc
Bristol, Connecticut

We have audited the accompanying financial statements of United Way of West Central Connecticut, Inc., (*a nonprofit organization*) which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and changes in net assets, functional expenses and cash flows for the fiscal year then ended, and the related notes to the financial statements.

The prior year summarized information has been derived from the organization's fiscal year ended June 30, 2019 financial statements and, in our report dated January 15, 2020, we expressed an unqualified opinion on those statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of West Central Connecticut, Inc., as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of allocations to agencies on Schedules I and II are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Kircaldie Randall McNab LLC

North Haven, Connecticut
May 18, 2021

UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2020

(with summarized financial information as of June 30, 2019)

	<u>2020</u>	<u>2019</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 192,695	\$ 220,396
Investments, at market values	867,782	856,105
Pledges receivable	492,791	659,473
Other current assets	13,750	31,862
Total current assets	<u>\$ 1,567,018</u>	<u>\$ 1,767,836</u>
Plant and Equipment:		
Plant and equipment	\$ 44,030	\$ 44,030
Less - Accumulated depreciation	31,832	25,868
Net plant and equipment	<u>\$ 12,198</u>	<u>\$ 18,162</u>
Total assets	<u><u>\$ 1,579,216</u></u>	<u><u>\$ 1,785,998</u></u>
LIABILITIES		
Current liabilities:		
Allocations payable to designated agencies	\$ 671,515	\$ 739,804
Accounts payable and accruals	12,775	32,031
Notes payable-current	60,600	-
Due to affiliates	5,836	6,727
Total current liabilities	<u>\$ 750,726</u>	<u>\$ 778,562</u>
Total liabilities	<u><u>\$ 750,726</u></u>	<u><u>\$ 778,562</u></u>
NET ASSETS		
Net assets:		
Net assets without donor restrictions		
Unappropriated	\$ 310,413	\$ 525,653
Board designated - Investment in plant and equipment	12,198	18,162
Board designated - Community initiatives	76,875	3
Total net assets without donor restrictions	<u>\$ 399,486</u>	<u>\$ 543,818</u>
Net assets with donor restrictions		
Donor principal restrictions	\$ 340,787	\$ 340,787
Other donor restrictions	88,217	122,831
Total net assets with donor restrictions	<u>\$ 429,004</u>	<u>\$ 463,618</u>
Total net assets	<u>\$ 828,490</u>	<u>\$ 1,007,436</u>
Total liabilities and net assets	<u><u>\$ 1,579,216</u></u>	<u><u>\$ 1,785,998</u></u>

KIRCALDIE, RANDALL & McNAB LLC

See accountant's report and accompanying notes to financial statements

UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2020

(with summarized financial information for the year ended June 30, 2019)

	2020			2019
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Combined Totals</u>	<u>Combined Totals</u>
Revenues, Gains, and Other Support:				
Campaign applicable to current period:				
Contributions				
Campaign	\$ 346,000	\$ 14,744	\$ 360,744	\$ 459,167
Net assets released from restriction	49,358	(49,358)	-	-
Gross contributions	<u>\$ 395,358</u>	<u>\$ (34,614)</u>	<u>\$ 360,744</u>	<u>\$ 459,167</u>
Uncollectible pledge expense	(28,748)	-	(28,748)	(15,125)
Net contributions	<u>\$ 366,610</u>	<u>\$ (34,614)</u>	<u>\$ 331,996</u>	<u>\$ 444,042</u>
Other Support:				
Grants & special contributions	\$ 240,554	\$ -	\$ 240,554	\$ 177,063
Interest and investment income	40,854	-	40,854	46,754
Support activities income	69,582	-	69,582	49,449
Administrative fees	18,717	-	18,717	36,187
Miscellaneous income	28	-	28	40
Total other support	<u>\$ 369,735</u>	<u>\$ -</u>	<u>\$ 369,735</u>	<u>\$ 309,493</u>
Total revenue	<u>\$ 736,345</u>	<u>\$ (34,614)</u>	<u>\$ 701,731</u>	<u>\$ 753,535</u>
Allocations and Other Functional Expenses:				
Allocations:				
Allocations to agencies from campaign	\$ 189,285	\$ -	\$ 189,285	\$ 199,347
Community initiatives & programs	206,863	-	206,863	151,824
Donor directed gifts	49,990	-	49,990	51,123
Total allocations	<u>\$ 446,138</u>	<u>\$ -</u>	<u>\$ 446,138</u>	<u>\$ 402,294</u>
Other functional expenses:				
Allocations and agency relations	\$ 65,513	\$ -	\$ 65,513	\$ 63,870
Community services	177,843	-	177,843	161,992
Bristol discovery grant initiative	38,013	-	38,013	26,174
Plymouth discovery grant initiative	-	-	-	3,850
Total program services expenses	<u>\$ 281,369</u>	<u>\$ -</u>	<u>\$ 281,369</u>	<u>\$ 255,886</u>
Fund raising	\$ 71,995	\$ -	71,995	75,676
Management and general	70,604	-	70,604	70,091
Total support services expenses	<u>\$ 142,599</u>	<u>\$ -</u>	<u>\$ 142,599</u>	<u>\$ 145,767</u>
Total other functional expenses	<u>\$ 423,968</u>	<u>\$ -</u>	<u>\$ 423,968</u>	<u>\$ 401,653</u>
Total allocations and expenses	<u>\$ 870,106</u>	<u>\$ -</u>	<u>\$ 870,106</u>	<u>\$ 803,947</u>
Change in Net Assets from Operations	<u>\$ (133,761)</u>	<u>\$ (34,614)</u>	<u>\$ (168,375)</u>	<u>\$ (50,412)</u>
Unrealized gains and (losses) from investments	(10,571)	-	(10,571)	16,622
Change in Net Assets	<u>\$ (144,332)</u>	<u>\$ (34,614)</u>	<u>\$ (178,946)</u>	<u>\$ (33,790)</u>
Net Assets, beginning of year	<u>543,818</u>	<u>463,618</u>	<u>1,007,436</u>	<u>1,041,226</u>
Net Assets, end of year	<u><u>\$ 399,486</u></u>	<u><u>\$ 429,004</u></u>	<u><u>\$ 828,490</u></u>	<u><u>\$ 1,007,436</u></u>

KIRCALDIE, RANDALL & McNAB LLC

See accountant's report and accompanying notes to financial statements

UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.
 STATEMENT OF FUNCTIONAL EXPENSES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 (with summarized financial information for the year ended June 30, 2019)

	PROGRAM SERVICES					SUPPORT SERVICES			2020 TOTAL	2019 TOTAL
	ALLOCATIONS AND AGENCY COMMUNITY RELATIONS SERVICES		BRISTOL DISCOVERY GRANT	PLYMOUTH DISCOVERY GRANT	TOTAL	FUND RAISING	MANAGEMENT AND GENERAL	TOTAL		
ALLOCATIONS TO AGENCIES	\$ 189,285				\$ 189,285				\$ 189,285	\$ 199,347
COMMUNITY INITIATIVES & PROGRAMS	\$ 206,863				\$ 206,863				\$ 206,863	\$ 151,824
DONOR DIRECTED GIFTS	\$ 49,990				\$ 49,990				\$ 49,990	\$ 51,123
COMMUNITY & AGENCY SERVICES PROVIDED BY THE UNITED WAY:										
SALARIES AND RELATED EXPENSES:										
Salaries	\$ 36,792	\$ 109,890	\$ -	\$ -	\$ 146,682	\$ 24,749	\$ 27,091	\$ 51,840	\$ 198,522	\$ 192,973
Employee benefits	8,870	27,734	-	-	36,604	10,251	10,223	20,474	57,078	47,773
Payroll taxes	3,018	9,438	-	-	12,456	3,489	3,479	6,968	19,424	19,995
Total salaries and related expenses	\$ 48,680	\$ 147,062	\$ -	\$ -	\$ 195,742	\$ 38,489	\$ 40,793	\$ 79,282	\$ 275,024	\$ 260,741
OTHER EXPENSES:										
Accounting services	\$ 1,014	\$ 2,028	\$ -	\$ -	3,042	\$ 1,691	\$ 2,029	3,720	\$ 6,762	\$ 5,853
Conferences and meetings	201	402	-	-	603	335	401	736	1,339	2,951
Office supplies & expenses	2,663	5,326	13,038	-	21,027	4,439	5,326	9,765	30,792	22,639
Publicity and promotion	2,880	2,880	-	-	5,760	2,612	-	2,612	8,372	10,464
Rent	4,140	8,280	-	-	12,420	6,900	8,280	15,180	27,600	28,650
Telephone	836	1,671	-	-	2,507	1,393	1,671	3,064	5,571	4,458
Postage	764	1,528	-	-	2,292	1,273	1,528	2,801	5,093	7,364
Professional fees	2,523	5,045	533	-	8,101	4,204	5,045	9,249	17,350	16,133
Early childhood coordinator	-	-	24,442	-	24,442	-	-	-	24,442	22,952
Insurance	917	1,832	-	-	2,749	1,527	1,832	3,359	6,108	6,519
Membership fees	-	-	-	-	-	7,641	1,910	9,551	9,551	6,532
Total other expenses	\$ 15,938	\$ 28,992	\$ 38,013	\$ -	\$ 82,943	\$ 32,015	\$ 28,022	\$ 60,037	\$ 142,980	\$ 134,515
Depreciation	895	1,789	-	-	2,684	1,491	1,789	3,280	5,964	6,397
Total community and agency services expenses	\$ 65,513	\$ 177,843	\$ 38,013	\$ -	\$ 281,369	\$ 71,995	\$ 70,604	\$ 142,599	\$ 423,968	\$ 401,653
Total	\$ 511,651	\$ 177,843	\$ 38,013	\$ -	\$ 727,507	\$ 71,995	\$ 70,604	\$ 142,599	\$ 870,106	\$ 803,947

KIRCALDIE, RANDALL & McNAB LLC

UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020
(with summarized financial information for the year ended June 30, 2019)

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities:		
Changes in Net Assets	\$ (178,946)	\$ (33,790)
Adjustments to reconcile changes in net assets:		
Depreciation	5,964	6,397
Unrealized (gains) losses on investments	10,571	(16,622)
Realized (gains) losses on investments	-	1,744
Pledges receivable	166,682	(16,745)
Other current assets	18,112	(21,059)
Allocations payable to designated agencies	(68,289)	36,048
Accounts payable and accruals	(19,256)	1,097
Due to affiliates	(891)	2,953
Net cash (used) by operating activities	<u>\$ (66,053)</u>	<u>\$ (39,977)</u>
Cash Flows From Investing Activities:		
Purchase of investments	\$ (39,285)	\$ (131,738)
Purchase of plant and equipment	-	(1,366)
Redemptions of investments	17,037	176,910
Net cash provided by investing activities	<u>\$ (22,248)</u>	<u>\$ 43,806</u>
Cash Flows From Financing Activities:		
New borrowing PPP loan	\$ 60,600	\$ -
Net cash (used) by financing activities	<u>\$ 60,600</u>	<u>\$ -</u>
Net increase (decrease) in cash	\$ (27,701)	\$ 3,829
Cash and cash equivalents, beginning of year	220,396	216,567
Cash and cash equivalents, end of year	<u>\$ 192,695</u>	<u>\$ 220,396</u>

KIRCALDIE, RANDALL & McNAB LLC

UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

United Way of West Central Connecticut, Inc. (The “United Way”) is a not-for-profit voluntary health and human service agency established to increase the overall quality of life for those in the region. To accomplish its mission, the United Way conducts fundraising campaigns and activities, and distributes resources to various agencies and community collaborations that are involved in providing human services throughout the towns of Bristol, Burlington, Plainville, and Plymouth.

The United Way’s primary funding source is donor contributions from donors who live or work in the region.

NOTE 1 - BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Presentation

The financial statements of the United Way of West Central Connecticut, Inc. (the "United Way") have been prepared in conformity with the Not-for-Profit Organization Audit and Accounting Guide published by the American Institute of Certified Public Accountants.

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles, in FASB ASC 958. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the United Way and changes therein are classified and reported as either: unrestricted net assets or temporarily restricted net assets.

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization’s financial statements for the year ended June 30, 2019, from which the summarized information was derived.

Summary of Significant Accounting Policies

The significant accounting policies by the United Way of West Central Connecticut, Inc. are described below to enhance the usefulness of the financial statements to the reader.

UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

Cash and cash equivalents

Cash and cash equivalents consists of the following at June 30, 2020 and 2019;

	<u>2020</u>	<u>Interest</u>	<u>2019</u>	<u>Interest</u>
	<u>Balance</u>	<u>Rate</u>	<u>Balance</u>	<u>Rate</u>
Unrestricted				
Petty cash	\$ 400	0.00%	\$ 400	0.00%
Cash-Checking-Webster Bank	(19,600)	0.00%	824	0.00%
Cash-Money Market-Webster Bank	5,054	0.10%	5,054	0.10%
Cash-CD-Thomaston Bank	27,066	1.74%	26,536	1.74%
Cash-MM-Peoples United Bank	<u>17,954</u>	0.10%	<u>52,928</u>	0.13%
Total unrestricted	<u>\$ 30,874</u>		<u>\$ 85,774</u>	
Restricted Cash				
Cash-MM-Peoples United Bank				
-Campership	\$ 50,016	0.20%	\$ 49,630	1.26%
Cash-Savings-Webster Bank-Covid	39,905	0.00%	0	0.00%
Cash-Savings-Webster Bank-Barnes				
-Campaign	<u>71,900</u>	0.02%	<u>85,024</u>	0.02%
Total restricted cash	<u>\$ 161,821</u>		<u>\$ 134,654</u>	
Total cash and equivalents	<u>\$ 192,695</u>		<u>\$ 220,396</u>	

For the purposes of the statement of cash flows, the United Way of West Central Connecticut, Inc. considers all cash and other highly liquid investments with initial maturities of six months or less to be cash equivalents.

Investments

Investments are stated at fair market value, in accordance with Financial Accounting Standards Board Statement Opinion No. 124-Accounting for certain investments held by not-for-profit organizations. Unrealized gains and losses are included in the changes in net assets in the accompanying statement of activities. At June 30, 2020, the Investments held had a cost value of \$825,524 and a market value of \$867,782 having an unrealized gain at June 30, 2020, of \$42,258. At June 30, 2019, the Investments held had a cost value of \$803,277 and a market value of \$856,105 having an unrealized gain at June 30, 2019, of \$52,828.

Public Support Recognition

Fund-raising campaigns are conducted in the fall of each year to raise funds to be allocated to participating agencies in the following fiscal year. All contributions are considered available for unrestricted use unless specifically restricted by the donor as to the use of the donated assets. The public support income recognized in each fiscal year is from the campaign which occurred in the current fiscal year. Pledges are recorded in the balance sheet as receivables, and allowances are provided for amounts estimated to be uncollectible for each pledge year.

Any donations received by June 30, relating to the subsequent year's campaign are recorded as temporarily restricted net assets.

UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

Property and Equipment

Property and equipment are recorded at cost or, if donated, at the estimated fair market value upon receipt. Maintenance, repairs, and renewals which neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred.

Depreciation

Depreciation is provided on the straight-line method over the estimated useful lives of the related assets (5 years).

Donated Materials and Services

Donated materials and equipment are recorded as contributions at their estimated values at date of receipt. There were no donated materials and services reported in the year ended June 30, 2020 and 2019. Also, there are a substantial number of volunteers that donated significant amounts of their time in the United Way's fundraising and other activities. No amounts have been reflected in the financial statements for donated services since no objective basis is available to measure the value of such services.

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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Contributions

Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value.

Unpaid Allocations and Accrued Administrative and Community Service Expenses

Unpaid allocations related to the public support recognized in the fiscal year 2020 (Fall 2019 campaign) have been accrued at June 30, 2020, and public support recognized in the fiscal year 2019 (Fall 2018 campaign) have been accrued at June 30, 2019, in order to match allocations and expenses with pledge income from the Fall campaigns.

Board-designated Community Initiative funding is approved on an on-going basis during the June 30, 2021 fiscal year even though the income providing this funding is recognized as revenue in the June 30, 2020 period. Accordingly, these amounts of Initiative funding cannot be accrued as an allocation as of June 30, 2020.

UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

Tax Exempt Status

The United Way is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The United Way has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi). Being that the United Way is exempt from federal, state and local income taxes, no provision for income taxes are included in the financial statements.

The United Way is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The United Way believes it is no longer subject to income tax examinations for years prior to 2017 and that income tax filing positions would be sustained upon examination and does not anticipate any adjustments that would result in a material adverse affect on the United Way's financial condition, results of operations or cash flows.

Provision for Uncollectible

The provision for uncollectible pledges is computed based upon management's estimates of current economic factors, applied to the gross campaign.

Revenue Recognition

Revenue for interest and investment income, support activities, administrative fees and miscellaneous income are recognized as the income is earned.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses, and the statement of support, revenue, expenses and changes in fund balances. Accordingly, certain costs have been allocated among the program and support services benefitted as follows:

Expenses are charged directly to program or support categories based on specified identification. Indirect expenses have been allocated based upon percentages set up by management to approximate time spent by personnel in the following areas of Program Functions: Allocations and Agency Relations, Community Services, Bristol Discovery Grant, Plymouth Discovery Grant, Fund Raising, and Management and General.

Recognition of Donor Restricted Contributions

Donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Reclassifications

Certain accounts in the 2019 financial statements have been reclassified for comparative purposes to conform with the presentation in the current fiscal years financial statements.

UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 2 - PLEDGES RECEIVABLE:

Pledges receivable for the fiscal years ended June 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Outstanding Pledges:		
2019 Campaign	\$ 153,108	\$ 0
2018 Campaign	35,527	261,107
2017 Campaign	<u>0</u>	<u>37,936</u>
Total Pledge receivable	<u>\$ 188,635</u>	<u>\$ 299,043</u>
Allowance for Uncollectible:		
2019 Campaign	\$ 15,000	\$ 0
2018 Campaign	15,000	15,000
2017 Campaign	<u>0</u>	<u>15,000</u>
Total allowance	<u>\$ 30,000</u>	<u>\$ 30,000</u>
Net United Way campaign pledge receivable	\$ 158,635	\$ 269,043
Barnes National Pledge campaign	<u>334,156</u>	<u>390,430</u>
Net operating pledge receivable	<u>\$ 492,791</u>	<u>\$ 659,473</u>

NOTE 3 - DONOR DIRECTED GIFTS:

Through United Way's Annual Community Campaign, donors can direct (designate) their gifts to any qualified 501(c)(3) organization.

United Way Worldwide membership criteria require local United Ways charge donors no more than the actual cost incurred to process and transfer their designated gifts to the agency of their choice. The expenses incurred for the processing of donor directed gifts include, but are not limited to:

- Verification of designated agencies 501(c)(3) status;
- Agency certification;
- Maintenance of the database;
- Recording individual donor directed gift data;
- Quality reports with detailed information;
- Notification of payments forwarded to agencies receiving donor dollars.

Donor directed gifts (the costs incurred in processing/transferring designations) do not qualify and are not reported as community investment and program services. The cost of these directed gift expenses are reported as administrative expenses.

Donor directed gift of \$49,990 and \$51,123 at June 30, 2020 and 2019, respectively, are reported under allocations.

UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 4 - EMPLOYMENT BENEFIT PLAN:

Defined Contribution Plan:

The United Way adopted a Defined Contribution Plan, which covers substantially all employees. Contributions to the plan are made by the United Way the employer, on behalf of the participant, at a rate set by the United Way’s Board of Directors, and is subject to revision at the Board’s discretion.

The total pension expense for 2020 and 2019, amounted to \$12,654 and \$13,218, respectively.

NOTE 5 - PLANT AND EQUIPMENT:

Equipment and fixtures, at cost or if donated at estimated fair market value upon receipt, consist of the following:

	<u>2020</u>	<u>2019</u>
Equipment	\$ 44,030	\$ 42,664
Less, accumulated depreciation	<u>31,832</u>	<u>25,868</u>
Net plant and equipment	<u>\$ 12,198</u>	<u>\$ 18,162</u>

During the 2020 fiscal year, the United Way did not add to plant and equipment and did not retire any of their plant and equipment.

During the 2019 fiscal year, the United Way added \$1,366 in plant and equipment and did not retire any of their plant and equipment.

Depreciation expense for the years ended June 30, 2020 and 2019, as follows:

	<u>2020</u>	<u>2019</u>
Operations	<u>\$ 5,964</u>	<u>\$ 6,397</u>

NOTE 6 - PROPERTY LEASE:

The United Way entered into a new lease for office space in July 2017, at 440 North Main Street. This lease runs for 10 years. The lease required no payments for the first period, July 1, 2017 to August 31, 2018. Beginning September 1, 2018 the United Way began making payments at a rate of \$2,300 per month through December 2022. Beginning January 2023 payments will decrease to \$2,100 per month. In addition to the above, the United Way was responsible for the monthly CAM charges until August 31, 2018, CAM is included in the lease thereafter. Rent paid for the 2020 fiscal year was \$27,600. Rent paid for the 2019 year was \$28,000.

UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

The following is a schedule of future minimum lease payments based upon the lease agreement:

<u>Year ended</u>	<u>Amount</u>
June 30, 2021	\$ 27,600
June 30, 2022	27,600
June 30, 2023	26,400
June 30, 2024	25,200
June 30, 2025	25,200
June 30, 2026	25,200
June 30, 2027	25,200

NOTE 7 - UNINSURED CASH BALANCES:

The United Way maintains their cash in bank deposits at three (3) high credit quality financial institutions. The balance at times, may exceed federally insured limits. At June 30, 2020 and June 30, 2019, the cash balances did not exceed the insured limit of \$250,000.

NOTE 8 - DUE TO AFFILIATES:

Due to affiliates consists of dues payable to the United Way's national organization, the United Way Worldwide.

NOTE 9 - INVESTMENTS AND FAIR VALUE MEASUREMENT:

The following is a list of investments, by account, held by the United Way, at June 30, 2020 and 2019:

	<u>2020</u>		
	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gain (Loss)</u>
LPL Financial	\$ 636,933	\$ 657,917	\$ 20,984
Main Street Community Foundation	<u>188,591</u>	<u>209,865</u>	<u>21,274</u>
	<u>\$ 825,524</u>	<u>\$ 867,782</u>	<u>\$ 42,258</u>

Net investment income of \$40,854 was earned in the 2020 fiscal year end. There were \$17,037 of investments that were sold during the fiscal year ended June 30, 2020, which resulted in a realized gain of \$0. Investment fees were paid during the June 30, 2020 fiscal year end amounting to \$8,287.

	<u>2019</u>		
	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gain (Loss)</u>
LPL Financial	\$ 610,254	\$ 643,240	\$ 32,986
Main Street Community Foundation	<u>193,023</u>	<u>212,865</u>	<u>19,842</u>
	<u>\$ 803,277</u>	<u>\$ 856,105</u>	<u>\$ 52,828</u>

Net investment income of \$46,754 was earned in the 2019 fiscal year end. There were \$176,910 of investments that were sold during the fiscal year ended June 30, 2019, which resulted in a realized loss of \$1,744. Investment fees were paid during the June 30, 2019 fiscal year end amounting to \$7,916.

UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

U.S. generally accepted accounting principles establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value of financial instruments into three levels:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities where the United Way 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 United Way's own data that reflects assumptions that market participants would use in pricing the asset or liability.

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	2020			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
LPL Financial	\$657,917	\$ 0	\$ 0	\$657,917
Main Street Community Foundation	<u>0</u>	<u>0</u>	<u>209,865</u>	<u>209,865</u>
Total	<u>\$657,917</u>	<u>\$ 0</u>	<u>\$209,865</u>	<u>\$867,782</u>
	2019			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
LPL Financial	\$643,240	\$ 0	\$ 0	\$643,240
Main Street Community Foundation	<u>0</u>	<u>0</u>	<u>212,865</u>	<u>212,865</u>
Total	<u>\$643,240</u>	<u>\$ 0</u>	<u>\$212,865</u>	<u>\$856,105</u>

Investments held for long-term purpose are classified as level 3 using figures provided by the third party. Details regarding investments held for long-term purpose measured at fair value on a recurring basis using significant unobservable inputs (level 3) are as follows:

June 30, 2018, value	\$ 207,476
Change in value	11,374
Investment income	5,949
Fees	(3,284)
Distribution	<u>(8,650)</u>
June 30, 2019, value	\$ 212,865
Change in value	3,225
Investment income	5,850
Fees	(3,325)
Distribution	<u>(8,750)</u>
June 30, 2020, value	<u>\$ 209,865</u>

There have been no changes in valuation techniques and related inputs used at June 30, 2020 and 2019.

UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the United Way believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The United Way's investments are in publicly traded securities. Fair value for these investments is based on quoted market prices and published net asset values. Investments at June 30, consisted of the following:

	2020		
	<u>Book Value</u>	<u>Market Value</u>	<u>Unrealized Gain (Loss)</u>
Equity securities	\$ 588,990	\$ 609,974	\$ 20,984
Mutual funds	<u>236,534</u>	<u>258,808</u>	<u>21,274</u>
	<u>\$ 825,524</u>	<u>\$ 867,782</u>	<u>\$ 42,258</u>

	2019		
	<u>Book Value</u>	<u>Market Value</u>	<u>Unrealized Gain (Loss)</u>
Equity securities	\$ 507,878	\$ 540,864	\$ 32,986
Mutual funds	<u>295,399</u>	<u>315,241</u>	<u>19,842</u>
	<u>\$ 803,277</u>	<u>\$ 856,105</u>	<u>\$ 52,828</u>

Components of investment income for the year ended June 30 are as follows:

	<u>2020</u>	<u>2019</u>
Investment income	\$ 39,284	\$ 47,392
Realized gains (losses)	0	(1,744)
Interest - cash equivalents	<u>1,570</u>	<u>1,106</u>
Total	<u>\$ 40,854</u>	<u>\$ 46,754</u>
Unrealized gain (loss)	<u>\$ (10,571)</u>	<u>\$ 16,622</u>
Investment related fees	<u>\$ 8,287</u>	<u>\$ 7,916</u>

NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions are funds that were donated to the United Way, which are restricted by the donor, as to its use.

Net assets with donor restrictions amounted to \$429,004, as of June 30, 2020. This balance is made up of \$14,744 of advances on the campaign to be run in the fall of 2020, \$73,473 of program restricted funds and \$340,787 of principal restrictions, described in detail in Note 11.

Net assets with donor restrictions amounted to \$463,618, as of June 30, 2019. This balance is made up of \$13,450 of advances on the campaign to be run in the fall of 2019, \$18,717 of advanced fees for the 2020 year, \$90,664 of program restricted funds and \$340,787 of principal restrictions, described in detail in Note 11.

UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

During the years ended June 30, 2020 and 2019, \$49,358 and \$2,751, respectively, were released from donor restriction. The breakdown of the donor restrictions released for the June 30, 2020, fiscal year end was campaign advances and activities of \$32,167 and \$17,191 of program restricted funds. The breakdown of the temporarily restrictions released for the June 30, 2019, fiscal year end was campaign advances of \$2,751 and \$0 from program restricted funds.

NOTE 11 - NET ASSETS WITH DONOR RESTRICTIONS- PRINCIPAL RESTRICTIONS:

Net assets-with donor restrictions-principal restrictions are subjected to donor-imposed stipulations that they be maintained permanently by the United Way. Generally, these donations are given to the United Way to invest the principal amount of the fund and to use the income off the investment of these funds for general operating purposes.

The net assets with donor restrictions-principal restrictions balance as of June 30, 2020 and 2019 is made up as follows:

	<u>2020</u>	<u>2019</u>
Page Fund principal	\$ 168,500	\$ 168,500
Marion Rich Fund principal	163,000	163,000
Moran/Rich Campership Fund principal	<u>9,287</u>	<u>9,287</u>
	<u>\$ 340,787</u>	<u>\$ 340,787</u>

NOTE 12 - NET ASSETS WITHOUT DONOR RESTRICTIONS:

Net assets without donor restrictions are made up of funds which are not specifically restricted as to its use. The majority of these funds are expected to be used for venture grants and to fund other community needs in the next fiscal year.

The board has appropriated a portion of unrestricted net assets into three classifications as follows:

Unappropriated have no restrictions.

Board designated investment in plant & equipment are made up of all capitalized, net of depreciation, plant and equipment owned by the United Way.

Board designated community initiatives - are funds that were set aside by the Board for future Community initiative program expenditures.

NOTE 13 - ALLOCATIONS PAYABLE TO DESIGNATED AGENCIES:

Allocations amounting to \$671,515, and \$739,804 were allocated to designated agencies as payable on June 30, 2020 and 2019, respectively. This balance represents twelve months of agencies' allocations for the upcoming years. The Board of the United Way, set the allocations during the years ended June 30, 2020 and 2019, respectively.

UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

A breakdown of the Allocations Payable is as follows:

	<u>2020</u>	<u>2019</u>
Campaign Allocations payable	\$ 189,285	\$ 199,347
Donor Designations	53,200	50,000
Barnes Allocations payable	<u>429,030</u>	<u>490,457</u>
Total Allocations payable	<u>\$ 671,515</u>	<u>\$ 739,804</u>

NOTE 14 - GRANTS:

The United Way of West Central Connecticut, Inc., receives grants from private foundations to assist in their community initiatives. All of these funds are included in the statement of activities, as special contributions. Grants received during the June 30, 2020 fiscal year were as follows:

The Connecticut Office of Early Childhood provided \$10,438 for Sparkler.

The Bristol School Readiness council provided \$5,000 for coordination of early childhood and literacy programs in Bristol.

The Clinton S. Roberts Foundation provided \$5,000 for early childhood and literacy programs in Bristol.

The Tim & Mary Walsh Charitable Fund, the Wally Barnes Fund for Community Leadership initiatives and the Money in motion Fund at the Main Street Community Foundation provided \$62,830 for summer youth employment and career exploration programs.

Liberty Bank provided \$5,000 for the Parent Leadership Training Institute.

The Parent Trust Fund provided \$29,210 for the Parent Leadership Training Institute.

The Sky Bright Foundation provided \$7,000 for Dementia Friends.

Grants received during the June 30, 2019 fiscal year were as follows:

The Barnes Foundation provided \$15,000 for early literacy programs in Bristol.

The Bristol School Readiness council provided \$5,000 for coordination of early childhood and literacy programs in Bristol.

The Clinton S. Roberts Foundation provided \$15,000 for early childhood and literacy programs in Bristol.

The Tim & Mary Walsh Charitable Fund, the Wally Barnes Fund for Community Leadership initiatives and the Money in motion Fund at the Main Street Community Foundation provided \$99,170 for summer youth employment and career exploration programs.

The Melville Charitable Trust provided \$5,000 for basic Human needs programs.

UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 15 -LEASING ARRANGEMENT:

The United Way contracts for certain equipment under long term equipment lease arrangements. Future minimum lease payments required under this equipment lease having an initial or remaining noncancellable lease term in excess of one year, as of June 30, 2020 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 2,988
2022	<u>1,992</u>
	<u>\$ 4,980</u>

The equipment lease expenses were \$2,988 and \$2,988 for the years ended June 30, 2020 and 2019, respectively.

NOTE 16 — INFORMATION REGARDING LIQUIDITY AND AVAILABILITY:

The Company strives to maintain liquid financial assets sufficient to cover the general expenditures of the United Way. Financial assets in excess of daily cash requirements are set aside in the saving accounts.

The following table reflects the United Way's financial assets as of June 30, 2020 and 2019, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions or internal board designations. Amounts not available can include a board-designated special projects fund that is intended to fund special board initiatives not considered in the annual operating budget. Amounts not available to meet general expenditures within one year also may also include net assets with donor restrictions. There were \$165,092 and \$122,834 of net assets with donor and board restrictions at June 30, 2020 and 2019, respectively.

Liquidity and Available Assets are as follows:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Cash and Cash equivalents	\$ 192,695	\$ 220,396
Pledge receivable	492,791	659,473
Other current assets	<u>13,750</u>	<u>31,862</u>
Total financial assets available	<u>\$ 699,236</u>	<u>\$ 911,731</u>
less-		
Donor restricted assets-other	\$ 88,217	\$ 122,831
Board restricted assets:		
Community initiatives	<u>76,875</u>	<u>3</u>
Total restricted assets	<u>\$ 165,092</u>	<u>\$ 122,834</u>
Net financial assets available to meet cash needs for general expenditures	<u>\$ 534,144</u>	<u>\$ 788,897</u>

The United Way collects its revenue from donor solicitations and contributions.

UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 17 -COVID 19 PANDEMIC:

In December 2019, an outbreak of a novel strain of coronavirus (COVID19) occurred and on March 11, 2020, the World Health Organization characterized COVID19 as a pandemic. In addition, multiple jurisdictions in the U.S. declared a state of emergency. It is anticipated that these impacts will continue for some time. Future potential impacts may include disruptions or restrictions on the United Way, but can not be determined at this time.

NOTE 18 -SUBSEQUENT EVENTS:

Subsequent events have been evaluated by management through May 18, 2021 the date the financial statements were available for issue.

PPP Loan

On April 22, 2020 the United Way of West Central Connecticut, Inc., received a loan of \$60,600 through the government Paycheck Protection Program (PPP). Based on the initial SBA guidelines for this loan, it will be forgiven based on payroll and allowable operating expenses incurred in the covered period which is the earlier of either 24 weeks after funding or December 31, 2020. The PPP loan on June 30, 2020, year end is shown as a liability on the Statement of Financial Position. On January 19, 2021 the entire loan amount of \$60,600 was forgiven by Thomaston Savings Bank, the loan will be counted as income for the June 30, 2021 year end.

UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.
ALLOCATIONS TO AGENCIES AND COMMUNITY INITIATIVES
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

Schedule I

<u>Agencies</u>	<u>Allocations Approved 2020/21</u>	<u>Allocations Approved 2019/20</u>
Bristol Adult Resource Center	\$ 5,054	\$ 5,320
Boys and Girls Club and Family Center of Bristol	36,389	38,304
Bristol Hospital, Parent & Child Center	5,054	5,320
Bristol Preschool Child Care Center, Inc.	8,086	8,512
Connecticut Coalition to End Homelessness	3,538	3,724
Connecticut Legal Services	3,538	3,724
ED Advance	6,065	6,384
HRA of New Britain	15,162	15,960
Imagine Nation & Bristol Family Resource Center	10,108	10,640
Literacy Volunteers of Central Connecticut	3,032	3,192
Nutmeg Big Brother/Big Sister	3,538	3,724
Plainville Association of Retarded Citizens	2,426	2,554
Plainville Early Learning Center	6,469	6,809
Plymouth Community Food Pantry	3,032	3,192
Prudence Crandall Center Inc.	15,162	15,960
St. Vincent DePaul Society of Bristol Inc.	25,270	26,600
Salvation Army	5,054	5,320
United Way of Connecticut	6,533	6,976
Wheeler Clinic	18,194	19,152
Wheeler Regional YMCA	2,527	2,660
YWCA of New Britain	5,054	5,320
Total allocation to agencies	<u>\$ 189,285</u>	<u>\$ 199,347</u>
<u>Community Initiatives and Programs</u>		
Education	\$ 15,000	\$ 16,246
Income	11,685	17,057
Health	416	353
Summer work program	70,825	85,342
Covid	9,080	-
Early childhood	37,754	21,502
Local prevention council	10,115	9,364
Parent Leadership Training Institute	32,550	-
Other programs	19,438	1,960
Total allocation to community initiatives	<u>\$ 206,863</u>	<u>\$ 151,824</u>

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**UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.
FUNCTIONAL EXPENSES (OVERHEAD) CALCULATION
FOR THE YEAR ENDED JUNE 30, 2020**

(with summarized financial information for the year ended June 30, 2019)

Schedule II

	2020		2019	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
REVENUES:				
Total Revenue	\$ 701,731		\$ 753,535	
Gross revenue	\$ 701,731	100.00	\$ 753,535	100.00
EXPENSES:				
Allocations and Functional Expenses:				
Allocations:				
Allocations to agencies from campaign	\$ 189,285		\$ 199,347	
Community initiatives & programs	206,863		151,824	
Donor directed gifts	49,990		51,123	
Total allocations	\$ 446,138	63.58	\$ 402,294	53.39
Functional expenses:				
Allocations and agency relations	\$ 65,513		\$ 63,870	
Community services	177,843		161,992	
Bristol Discovery Grant Initiative	38,013		26,174	
Plymouth Discovery Grant Initiative	-		3,850	
Total program services expenses	\$ 281,369	40.10	\$ 255,886	33.96
Fund raising	\$ 71,995		\$ 75,676	
Management and general	70,604		70,091	
Total support services expenses	\$ 142,599	20.32	\$ 145,767	19.34
Total functional expenses	\$ 423,968	60.42	\$ 401,653	53.30
Total allocations and expenses	\$ 870,106	124.00	\$ 803,947	106.69
Decrease in net assets by campaign/allocation	\$ (168,375)	(24.00)	\$ (50,412)	(6.69)
Unrealized gains or (losses) from investments	(10,571)		16,622	
Decrease in net assets	\$ (178,946)		\$ (33,790)	

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See accountant's report and accompanying notes to financial statements