

UNITED WAY OF WESTERN  
CONNECTICUT, INC.

Financial Statements

(with Independent Auditor's Report thereon)

YEAR ENDED JUNE 30, 2018  
(with comparative totals for 2017)

UNITED WAY OF WESTERN CONNECTICUT, INC.

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### Independent Auditor's Report

The Board of Directors  
United Way of Western Connecticut, Inc.  
Danbury, Connecticut

#### *Report on the Financial Statements*

We have audited the accompanying financial statements of United Way of Western Connecticut, Inc. (United Way) which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation 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 the 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 judgment, including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error. In making those risk assessments, the auditor considers Internal control appropriate to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are relevant 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.

The Board of Directors  
United Way of Western Connecticut, Inc.

*Opinion*

In our opinion, the financial statements referred to above present fairly, in all materials respects, the financial position of United Way of Western Connecticut, Inc. as of June 30, 2018 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Report on Summarized Comparative Information*

We have previously audited United Way's financial statements as of and for the year ended June 30, 2017 and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 18, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Crone Freilberg, LLP*

October 25, 2018  
Bridgeport, Connecticut

**UNITED WAY OF WESTERN CONNECTICUT, INC.****STATEMENTS OF FINANCIAL POSITION****JUNE 30, 2018****(with comparative totals for 2017)**

	<b><u>2018</u></b>	<b><u>2017</u></b>
<b><u>ASSETS</u></b>		
Cash and Cash Equivalents	\$ 653,196	\$ 151,629
Investments	3,251,273	2,709,087
Promises to Give, Net of Allowance for uncollectible promises of \$66,784 in 2018 and \$78,970 in 2017	1,077,370	774,317
Designations Receivable from Others, Net of Allowance for uncollectible designations of \$23,753 in 2018 and \$34,728 in 2017	95,087	99,928
Prepaid Expenses and Other Assets	183,994	97,582
Security Deposit	15,000	15,000
Improvements, Furniture and Equipment, Net	53,917	49,746
Assets Held for Sale, Net	-	580,202
Agency Assets	109,861	96,842
<b>TOTAL ASSETS</b>	<b><u>\$ 5,439,698</u></b>	<b><u>\$ 4,574,333</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b><u>Liabilities</u></b>		
Accounts Payable and Accrued Expenses	\$ 159,875	\$ 115,071
Revenue Received in Advance	10,925	9,354
Community Impact Grants and Other Distributions Payable	38,603	35,551
Refundable Advances on Grants	204,511	76,279
Agency Liabilities	109,861	96,842
<b>Total Liabilities</b>	<b><u>523,775</u></b>	<b><u>333,097</u></b>
<b><u>Net Assets</u></b>		
<b><u>Unrestricted:</u></b>		
Net Investment in Building and Equipment	53,917	49,746
Net Investment in Assets Available for Sale	-	580,202
Board Designated - Children's Programs and Services	804,939	808,169
Board Designated - Other	2,786,163	2,247,808
Undesignated - Available for Operations	50,000	50,000
<b>Total Unrestricted</b>	<b><u>3,695,019</u></b>	<b><u>3,735,925</u></b>
<b>Temporarily Restricted</b>	<b><u>1,220,904</u></b>	<b><u>505,311</u></b>
<b>Total Net Assets</b>	<b><u>4,915,923</u></b>	<b><u>4,241,236</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 5,439,698</u></b>	<b><u>\$ 4,574,333</u></b>

See notes to financial statements.

## UNITED WAY OF WESTERN CONNECTICUT, INC.

## STATEMENTS OF ACTIVITIES

YEAR ENDED JUNE 30, 2018

(with comparative totals for 2017)

	2018		2017
	Unrestricted	Temporarily Restricted	Total
<b>Revenues, Gains and Other Support</b>			
Campaign Revenue			
Total Amounts Raised in Campaigns	\$ 3,565,089	\$ 637,091	\$ 4,202,180
Less: Amounts Raised on Behalf of Others - Designations, Net	(1,867,293)	-	(1,867,293)
Provision for Uncollectible Accounts	(66,784)	-	(66,784)
	<u>1,631,012</u>	<u>637,091</u>	<u>2,268,103</u>
Add: Collections of Prior Year Campaigns in Excess of Amounts Anticipated	<u>137,536</u>	-	<u>137,536</u>
Campaign Revenue, Net	<u>1,768,548</u>	<u>637,091</u>	<u>2,405,639</u>
Designations from Other United Ways, Net			
Contributions and Sponsorships	242,757	-	242,757
Fund-raising Events	566,652	168,551	735,203
Grants	208,637	-	208,637
Interest and Investment Income, Net	1,098,709	-	1,098,709
Rental Income	215,448	-	215,448
Fees and Other Income	226	-	226
In-kind and Non-Cash Contributions	25,863	-	25,863
Total	<u>217,117</u>	-	<u>217,117</u>
Net Assets Released from Restrictions	<u>4,343,957</u>	<u>805,642</u>	<u>5,149,599</u>
Satisfaction of Purpose Restrictions	28,634	(28,634)	-
Satisfaction of Time and Purpose Restrictions	60,836	(60,836)	-
Expiration of Time Restrictions	579	(579)	-
	<u>90,049</u>	<u>(90,049)</u>	<u>-</u>
Total Net Assets Released from Restrictions	<u>4,434,006</u>	<u>715,593</u>	<u>5,149,599</u>
<b>Total Revenues, Gains and Other Support</b>			<u>4,688,476</u>
<b>Expenses</b>			
Functional Expenses			
Community Services			
Community Impact Grants, Other	3,313,293	-	3,313,293
Distributions and Program Expenses			
Supporting Services			
Resource Development and Marketing	474,818	-	474,818
Management and General	617,171	-	617,171
Total Supporting Services	<u>1,091,989</u>	-	<u>1,091,989</u>
Total Functional Expenses	<u>4,405,282</u>	-	<u>4,405,282</u>
Cost of Direct Benefits to Donors	69,630	-	69,630
Impairment Loss on Assets Available for Sale	-	-	-
	<u>4,474,912</u>	-	<u>4,474,912</u>
<b>Total Expenses</b>			<u>4,102,515</u>
<b>Change in Net Assets</b>			
Net Assets At Beginning of Year	(40,906)	715,593	674,687
	<u>3,735,925</u>	<u>505,311</u>	<u>4,241,236</u>
<b>Net Assets At End of Year</b>	<u>\$ 3,695,019</u>	<u>\$ 1,220,904</u>	<u>\$ 4,915,923</u>

See notes to financial statements.

UNITED WAY OF WESTERN CONNECTICUT, INC.

**STATEMENTS OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2018**  
 (with comparative totals for 2017)  
 Increase (Decrease) in Cash and Cash Equivalents

	<u>2018</u>	<u>2017</u>
<b><u>Cash Flows from Operating Activities</u></b>		
Change in Net Assets	\$ 674,687	\$ 585,961
Adjustments to Reconcile Change in Net Assets to Net		
<b><u>Cash Provided by Operating Activities:</u></b>		
Depreciation	10,733	14,775
Provision for Uncollectible Promises to Give	66,784	78,970
Provision for Uncollectible Designations	23,753	36,432
Realized (Gains) Losses on Sale of Investments	(25,157)	5,888
Unrealized Appreciation on Investments	(104,512)	(242,454)
Impairment Loss on Assets Available for Sale	-	21,100
<b><u>Changes in:</u></b>		
Promises to Give	(369,837)	(181,385)
Designations Receivable from Others	(18,912)	(21,083)
Prepaid Expenses and Other Assets	(86,412)	(16,430)
Agency Assets	(13,019)	24,934
Accounts Payable and Accrued Expenses	44,804	3,528
Revenue Received in Advance	1,571	(2,226)
Community Impact Grants and Other		
Distributions Payable	3,052	(202,882)
Refundable Advances on Grants	128,232	26,272
Agency Liabilities	13,019	(24,934)
Total Adjustments	(325,901)	(479,495)
<b>Net Cash Provided by Operating Activities</b>	<b><u>348,786</u></b>	<b><u>106,466</u></b>
<b><u>Cash Flows from Investing Activities</u></b>		
Purchase of Furniture and Equipment	(14,904)	(51,724)
Proceeds from Assets Available for Sale	580,202	-
Purchase of Investments	(971,941)	(299,191)
Proceeds from Sale of Investments	559,424	261,352
<b>Net Cash Provided (Used) by Investing Activities</b>	<b><u>152,781</u></b>	<b><u>(89,563)</u></b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>501,567</b>	<b>16,903</b>
Cash and Cash Equivalents - Beginning of Year	151,629	134,726
<b>Cash and Cash Equivalents - End of Year</b>	<b><u>\$ 653,196</u></b>	<b><u>\$ 151,629</u></b>

See notes to financial statements.

## UNITED WAY OF WESTERN CONNECTICUT, INC.

## STATEMENTS OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2018

(with comparative totals for 2017)

	2018				2017			
	PROGRAM SERVICES		SUPPORT SERVICES					
	Community Impact Grants, Other Distributions, and Other Program Expenses	Resource Development and Marketing	Management and General	Total	Total	Total	Total	Total
<b>Programs and Community Investments:</b>								
Education	\$ 1,033,507	\$ -	\$ -	\$ -	\$ 1,033,507	\$ 884,751		
Financial Stability	151,430	-	-	-	151,430	39,609		
Food Security	81,809	-	-	-	81,809	52,150		
Volunteerism	39,539	-	-	-	39,539	38,555		
Basic Needs, including In-kind of \$2,283 and \$2,353	616,207	-	-	-	616,207	630,450		
Other Community Investments	1,869,786	-	-	-	1,869,786	1,621,355		
Less: Raised on Behalf of Others - Designations	(1,867,293)	-	-	-	(1,867,293)	(1,609,707)		
Programs and Community Investments, Net	1,924,985	-	-	-	1,924,985	1,657,163		
Salaries	679,994	279,998	373,330	653,328	1,333,322	1,266,842		
Employee Benefits	95,245	39,219	52,293	91,512	186,757	186,558		
Payroll Taxes	62,593	25,774	34,365	60,139	122,732	114,284		
Sub-total Employee Related Expenses	837,832	344,991	459,988	804,979	1,642,811	1,567,684		
Sub-total	2,762,817	344,991	459,988	804,979	3,567,796	3,224,847		
Professional and Consulting Fees	39,424	16,233	21,645	37,878	77,302	102,498		
Office Supplies and Postage	13,355	5,499	7,332	12,831	26,186	36,568		
Telephone and Internet	13,733	5,655	7,540	13,195	26,928	28,600		
Printing and Promotion	28,352	11,674	15,566	27,240	55,592	48,537		
Occupancy	110,296	25,117	46,594	71,711	182,007	171,933		
Insurance	13,350	3,040	5,640	8,680	22,030	23,666		
Maintenance of Equipment	42,446	9,666	17,931	27,597	70,043	74,731		
Fund-raising Events	11,049	26,739	-	26,739	37,788	34,295		
Conferences, Training and Travel	12,990	5,349	7,131	12,480	25,470	24,009		
Dues	3,552	1,463	1,950	3,413	6,965	4,075		
Expenses Related to Rental Income	-	-	-	-	-	19,437		
In-kind and Non-Cash Expenses	214,834	-	-	-	214,834	148,804		
Depreciation	5,474	2,254	3,005	5,259	10,733	14,775		
United Way Worldwide Dues	24,016	9,889	13,185	23,074	47,090	47,891		
Moving Expenses	-	-	-	-	-	13,960		
Miscellaneous	17,605	7,249	9,665	16,914	34,519	33,455		
Sub-total Other Expenses	550,476	129,827	157,184	287,011	837,487	827,234		
<b>Total Functional Expenses</b>	<b>\$ 3,313,293</b>	<b>\$ 474,818</b>	<b>\$ 617,172</b>	<b>\$ 1,091,990</b>	<b>\$ 4,405,283</b>	<b>\$ 4,052,081</b>		

SEE NOTES TO FINANCIAL STATEMENTS.



UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

(with comparative totals for 2017)

NOTE 1 - NATURE OF OPERATIONS

The mission of United Way of Western Connecticut, Inc. (United Way) is to improve the lives of hard-working, struggling households by mobilizing the resources of local communities to create lasting change. United Way fights for the health, education and financial stability of every person throughout our 15-town service area. United Way is a local, volunteer-led organization working together with community leaders, nonprofit organizations, community volunteers and businesses to focus on the most pressing needs in the communities of Northern Fairfield County, Southern Litchfield County and Stamford.

Since 2014, UWWC has been focused on the sustainability of households living paycheck-to-paycheck called **ALICE®** (**A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed). Research conducted in partnership with Rutgers University in 2014 and updated in 2016 and 2018 indicates that more than 40% of households in Connecticut live at or below a basic cost of living threshold. ALICE represents the growing number of individuals and families who are working, but unable to afford the basic necessities of housing, food, child care, health care, and transportation. United Way is focused on impacting the lives of the ALICE population, increasing their financial stability and ultimately reducing the number of ALICE households in Western CT. United Way's success is rooted in listening directly to ALICE households through community conversations, focusing on targeted outcomes that will improve their lives, and measuring success for continual improvement and to achieve significant systemic change.

United Way has one governing board comprised of members from each of its three main regions (Northern Fairfield County, Southern Litchfield County and Stamford) to provide needed expertise and perspective. These three Community Councils focus on local priorities, concentrating on identifying community needs, building long-term funding sources and allocating resources to local service programs.

United Way raises funds and utilizes volunteers and in-kind resources to address local needs that impact households that live paycheck-to-paycheck (ALICE) or in poverty. Resource development activities include annual workplace campaigns, direct mail solicitations, major gifts, planned gifts, special events and securing grant funding. United Way distributes community impact and other grants through a competitive process open to nonprofit agencies that meet the long-term objectives of United Way under the areas of education, financial stability and health/basic needs. Volunteers review grants, evaluate agency capacity and financial health, and make all allocation decisions. Substantial funds are directed to prepare children for successful entry into kindergarten, help families achieve financial stability, and give individuals access to fresh, healthy foods. United Way engages additional funding sources and collaborative partners to accomplish this work and strives to fund organizations working together towards common population outcomes.

United Way also values volunteerism as an important community resource. Volunteer recruitment, referral and placement with agencies, skilled volunteerism, corporate team volunteerism, youth volunteerism, and nonprofit board service training are among the services provided by United Way.

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

(with comparative totals for 2017)

NOTE 1 - NATURE OF OPERATIONS (continued)

United Way is a not-for-profit organization incorporated under the Nonstock Corporation Act of the State of Connecticut, and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. United Way is also exempt from state income tax.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Net Asset Classes

The net asset classes of United Way consist of the following:

Unrestricted Net Assets

Unrestricted net assets consist of net assets over which the governing board has control to use in carrying out the operations of United Way in accordance with its charter and by-laws and are neither Permanently restricted nor Temporarily restricted by donor-imposed restrictions.

The Board of Directors has Designated certain Unrestricted net assets.

The Net investment in Land, Building and Equipment consists of the net book value of Land, Building and Equipment acquired with Unrestricted net assets.

The Net investment in assets available for sale consisted of the net book value of the Land and Building of the United Way's former office sold in July 2017.

Temporarily Restricted Net Assets

Temporarily restricted net assets consist of net assets whose use is limited by donor-imposed restrictions which either expire with the passage of time (Time restriction) or can be fulfilled and removed by actions of United Way pursuant to the restrictions (Purpose restriction). If a restriction is fulfilled, however, in the same time period in which the Contribution is received, United Way reflects the support as Unrestricted contributions.

When donor-imposed restrictions expire, that is when a stipulated Time restriction ends or Purpose restriction is accomplished, Temporarily restricted net assets are reclassified to Unrestricted net assets and reported in the accompanying Statements of activities as Net assets released from restrictions.

For the years ended June 30, 2018 and 2017, Temporarily restricted Revenues consisted primarily of Contributions for various Programs and Community Investments, and support restricted for future Campaigns.

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

(with comparative totals for 2017)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Permanently Restricted Net Assets

Permanently restricted net assets 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 United Way. United Way had no Permanently restricted net assets at either June 30, 2018 or 2017.

Revenue Received in Advance

Revenue received in advance as of June 30 consist of advance Program fees and Sponsorships received relating to Programs and events to take place during the following year.

Contributions and Campaign Revenue

Contributions received or Promises to give (campaign pledges) without donor-imposed restrictions are reflected as Unrestricted support. Contributions received or Promises to give with donor-imposed restrictions are reflected as either Temporarily or Permanently restricted support in the accompanying financial statements. Contributions or Promises to give with donor-imposed conditions are not recognized as Contributions or Promises to give in the accompanying financial statements until the period when the conditions are met.

Promises to give that are expected to be received within one year of the financial statement date are reflected at their net realizable value (the gross amount of the Promises to give, Net of an Allowance for uncollectible amounts). Promises to give that are expected to be collected more than one year after the 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 the donors to be paid to specific agencies or other United Ways (Designations) are considered Agency transactions. Such Designated Contributions are reflected, net of a Provision for uncollectible amounts in the accompanying Statements of activities as part of Total amounts raised in campaigns, but are not considered to be part of the Campaign revenue of United Way and are therefore deducted to reflect United Way's Campaign revenue. In addition, United Way increases or reduces Campaign revenue for any excess or shortfall in collections of amounts raised in prior year campaigns.

United Way has also included in Total revenues amounts raised by other United Ways that were Designated by donors to be paid to United Way.

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

(with comparative totals for 2017)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Community Investments and Other Distributions

Community Investments and other distributions are made to programs approved by United Way's Board of Directors from funds raised in the annual campaign. United Way recognizes an expense and a liability when amounts are communicated to the partner organizations operating the programs in an award letter. United Way has presented in the accompanying Statements of activities gross Community Investments and other distributions with a reduction for Community Investments and other distributions funded through designations.

Allowance for Uncollectible Promises to Give

An Allowance for uncollectible Promises to give 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 collectibility.

Investments

Investments are stated at fair value. Interest and Investment income, Net, including realized gains and losses and Unrealized appreciation or depreciation on Investments, are reflected in the accompanying Statements of activities.

Land, Building and Equipment

All acquisitions or donations of Land, Building and Equipment are reflected at cost or their fair value at the date of the gift. Depreciation is provided for over the estimated useful lives of the assets on a straight-line basis. The estimated useful lives range from three to thirty-nine years. It is United Way's policy to remove fully depreciated assets no longer in service from its financial records.

Income Taxes

Management of United Way has evaluated all significant tax positions as required by generally accepted accounting principles in the United States of America.

Management of United Way is of the opinion that the entity has not taken any material tax positions that would require the recording of any liability by United Way, nor is Management of United Way of the opinion that there were any unrealized tax benefits that would either increase or decrease materially within the next year. If required, it is United Way's policy to recognize any estimated interest and penalties.

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

(with comparative totals for 2017)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed Goods and Services and Non-Cash Contributions

Goods or services have been provided by various organizations, and a number of unpaid volunteers have contributed their time and resources in United Way's planning, budgeting and Community fund grants and other distribution activities and in the 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 United Way during either of the years ended June 30, 2018 and 2017 were required to be recognized in the accompanying financial statements.

For the years ended June 30, In-kind Contributions and In-kind Expenses reflected in the accompanying financial statements consisted of the following:

	<u>2018</u>	<u>2017</u>
<u>In-kind and Non-Cash Contributions</u>		
Back to School Program	\$ 83,512	\$ 76,193
Children's Accessories (a)	2,055	2,354
Legal Services	-	3,500
Media Advertising	52,586	59,347
Volunteer Center Programs	53,604	-
Cradle to Career	4,875	-
Mobile Food Pantries	116	-
Fund-raising Events – Auction Items	<u>20,369</u>	<u>9,763</u>
Total	<u>\$217,117</u>	<u>\$151,157</u>
<u>In-kind and Non-Cash Expenses</u>		
Back to School Program	\$ 83,512	\$ 76,193
Children's Accessories (a)	2,055	2,354
Legal Services	-	3,500
Media Advertising	52,586	59,347
Volunteer Center Programs	53,604	-
Cradle to Career	4,875	-
Mobile Food Pantries	116	-
Fund-raising Events – Auction Items	<u>20,369</u>	<u>9,763</u>
Total	<u>\$217,117</u>	<u>\$151,157</u>

- (a) These contributions consist primarily of children's books, games, diapers, school supplies, toys and various personal care items that were distributed to other not-for-profit agencies and are not included as an In-kind expense but are included in Programs and Community Investments expense in the amount of \$2,283 and \$2,353 for the years ended June 30, 2018 and 2017, respectively, in the accompanying financial statements.

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

(with comparative totals for 2017)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences

Employees of United Way are entitled to paid vacation and paid sick days depending on job classifications, length of service and other factors. United Way's policy is to accrue Compensated absences.

Advertising

Advertising costs are expensed as incurred.

Cash Equivalents and Statements of Cash Flows

United Way 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.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis on the accompanying Statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 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 October 25, 2018, the date the financial statements were available to be issued. Through that date, there were no material events that would require recognition or additional disclosure in the financial statements.

Reclassifications

Certain amounts for 2017 have been reclassified, where appropriate, to conform to the 2018 presentation.

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

(with comparative totals for 2017)

NOTE 3 - CONCENTRATION OF CASH CREDIT RISK

United Way maintains a Cash account at a Connecticut Bank and Money Market and Investment accounts at two local Brokerage firms. The Cash Account is insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). The Money Market and Investment accounts are insured by the Securities Investor Protection Corporation (SIPC) up to \$500,000. At times during the year the Cash balances may have exceeded the insured limits.

NOTE 4 - INVESTMENTS

Generally accepted accounting principles in the United States of America (GAAP) have established a definition and framework for measuring fair value, and disclosure about fair value measurements. Fair value is the exchange price that would be received for an asset or liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy that 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 other than quoted prices included within Level 1 that are observable for the asset, such as quoted prices for similar assets or liabilities.
- Level 3 inputs are unobservable inputs for the assets or liability.

United Way's Investments are in certificates of deposit and publicly traded securities. Fair value for these Investments is based on quoted market prices and published net asset values. Investments at June 30, all of which are valued using Level 1 inputs, consisted of the following:

<u>2018</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Appreciation (Depreciation)</u>
<u>At a Brokerage Affiliate of Union Savings Bank</u>			
Money Market Funds	\$ 216,897	\$ 216,897	\$ -
Fixed Income Securities	1,010,916	1,025,540	(14,624)
Equity Mutual Funds	<u>1,290,026</u>	<u>1,042,781</u>	<u>247,245</u>
Total	<u>2,517,839</u>	<u>2,285,218</u>	<u>232,621</u>
<u>At Commonwealth Financial Network</u>			
Money Market Funds	85,836	85,836	-
Equity Mutual Funds	551,910	465,779	86,131
Exchange Traded Funds	<u>95,688</u>	<u>99,495</u>	<u>(3,807)</u>
Total	<u>733,434</u>	<u>651,110</u>	<u>82,324</u>
Total Investments	<u>\$3,251,273</u>	<u>\$2,936,328</u>	<u>\$314,945</u>

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

(with comparative totals for 2017)

NOTE 4 - INVESTMENTS (continued)

<u>2017</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Appreciation (Depreciation)</u>
<u>At a Brokerage Affiliate of Union Savings Bank</u>			
Money Market Funds	\$ 63,852	\$ 63,852	\$ -
Fixed Income Securities	389,726	385,320	4,406
Equity Mutual Funds	326,478	327,570	(1,092)
Exchange Traded Funds	<u>1,244,930</u>	<u>1,093,020</u>	<u>151,910</u>
Total	<u>2,024,986</u>	<u>1,869,762</u>	<u>155,224</u>
<u>At Commonwealth Financial Network</u>			
Money Market Funds	51,850	51,850	-
Equity Mutual Funds	533,692	477,547	56,145
Exchange Traded Funds	<u>98,559</u>	<u>99,495</u>	<u>(936)</u>
Total	<u>684,101</u>	<u>628,892</u>	<u>55,209</u>
Total Investments	<u>\$2,709,087</u>	<u>\$2,498,654</u>	<u>\$210,433</u>

For the years ended June 30, Interest and Investment Income, net, included the following:

	<u>2018</u>	<u>2017</u>
Interest Income	\$ 305	\$ 223
Dividend Income, including Capital Gain Distributions	85,474	62,712
Net Realized Gains (Losses) on Sale of Investments	25,157	(5,888)
Unrealized Appreciation on Investments	<u>104,512</u>	<u>242,454</u>
Net	<u>\$215,448</u>	<u>\$299,501</u>

Net Realized Gains (Losses) on Sale of Investments for the years ended June 30 was as follows:

	<u>2018</u>	<u>2017</u>
Proceeds	\$559,424	\$261,352
Cost	<u>(534,267)</u>	<u>(267,240)</u>
Net	<u>\$ 25,157</u>	<u>\$ (5,888)</u>



UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

(with comparative totals for 2017)

NOTE 5 - PROMISES TO GIVE, CAMPAIGN REVENUE AND  
CONCENTRATION OF RECEIVABLE CREDIT RISK

Concentrations of credit risk arise due to United Way's solicitation of Promises for charitable contributions from companies and individuals located within the western, Connecticut area. United Way does not obtain collateral for its Promises, but monitors the status of its past due receivables and provides an Allowance for uncollectible Promises. United Way had two and five major corporate donors, including their employees, during each of the years ended June 30, 2018 and 2017, that accounted for approximately 24% and 54% of Total amounts raised in campaigns, and approximately 38% and 39% of Amounts raised on behalf of others, respectively. Amounts due from these donors were approximately 6% and 45% of gross Promises to give and approximately 81% and 89% of Agency assets at June 30, 2018 and 2017, respectively.

Total amounts raised in Campaigns for the year ended June 30, 2018, and Promises to give, Net at June 30, 2018, primarily from the 2017-2018 Campaign, were comprised of the following:

	<u>2018</u>
<u>Annual Campaign Support</u>	
Local Campaign Promises - Due in One Year or less	\$ 3,468,246
Local Campaign Promises - Due in One to Five Years (a)	<u>733,934</u>
Total	4,202,180
Less: Allowance for Uncollectible Accounts	<u>(66,784)</u>
Net Annual Campaign Support	4,135,396
<u>Amounts Collected</u>	
Local Campaign Promises	<u>(2,965,702)</u>
Promises to Give, Before Designation to Other Agencies	1,169,694
Less: Designation to Other Agencies Reflected as Amounts Raised on Behalf of Others	<u>(92,324)</u>
Promises to Give, Net	<u>\$ 1,077,370</u>

(a) Promises to Give are reflected at the present value of the estimated cash flows using a discount rate of 4.5%. These amounts are deemed fully collectable at June 30, 2018, and no Allowance for Uncollectable Promises has been established.

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

(with comparative totals for 2017)

NOTE 5 - PROMISES TO GIVE, CAMPAIGN REVENUE AND  
CONCENTRATION OF RECEIVABLE CREDIT RISK

Total amounts raised on Campaigns for the year ended June 30, 2017 and Promises to give, Net at June 30, 2017, primarily from the 2016-2017 campaign, were compromised of the following:

	<u>2017</u>
<u>Annual Campaign Support</u>	
Local Campaign Promises	\$ 3,687,185
Less: Allowance for Uncollectible Accounts	<u>(78,970)</u>
Net Annual Campaign Support	3,608,215
<u>Amounts Collected</u>	
Local Campaign Promises	<u>(2,747,355)</u>
Promises to Give, Before	
Designation to Other Agencies	860,860
Less: Designation to Other Agencies Reflected as Amounts Raised on Behalf of Others	<u>(86,543)</u>
Promises to Give, Net	<u>\$ 774,317</u>
Promises to give, Net at June 30, 2018 consisted of the following:	
Local Campaign Promises	\$ 1,236,478
Less: Allowance for Uncollectible Accounts	<u>(66,784)</u>
Promises to Give, Before	
Designation to Other Agencies	1,169,694
Less: Designation to Other Agencies Reflected as Amounts Raised on Behalf of Others	<u>(92,324)</u>
Promises to Give, Net	<u>\$ 1,077,370</u>
Promises to give, Net at June 30, 2017 consisted of the following:	
Local Campaign Promises	\$ 939,830
Less: Allowance for Uncollectible Accounts	<u>(78,970)</u>
Promises to Give, Before	
Designation to Other Agencies	860,860
Less: Designation to Other Agencies Reflected as Amounts Raised on Behalf of Others	<u>(86,543)</u>
Promises to Give, Net	<u>\$ 774,317</u>

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

(with comparative totals for 2017)

NOTE 6 - DESIGNATIONS FROM OTHER UNITED WAYS, NET

Net amounts Designated from Other United Ways for the years ended June 30 consisted of the following:

	<u>2018</u>	<u>2017</u>
Gross Revenue	\$273,586	\$290,622
Less: Designation Expense	(7,076)	(9,933)
Less: Provision for Uncollectible Designations	<u>(23,753)</u>	<u>(36,432)</u>
Designations from Other United Ways, Net	<u>\$242,757</u>	<u>\$244,257</u>

NOTE 7 - IMPROVEMENTS, FURNITURE AND EQUIPMENT, NET

Improvements, Furniture and Equipment, Net at June 30, consisted of the following:

	<u>2018</u>	<u>2017</u>
Leasehold Improvement	\$ 2,468	\$ 2,468
Office Furniture, Software and Equipment	<u>149,779</u>	<u>212,050</u>
Total	152,247	214,518
Less: Accumulated Depreciation	<u>(98,330)</u>	<u>(164,772)</u>
Land, Building and Equipment, Net	<u>\$ 53,917</u>	<u>\$ 49,746</u>

During the year ended June 30, 2018, fully depreciated Furniture, Fixtures and Software with a cost basis of \$77,175 was written off.

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

(with comparative totals for 2017)

NOTE 8 - ASSETS AVAILABLE FOR SALE, NET

During the year ended June 30, 2016 United Way decided to sell their Land and Building located in Danbury, Connecticut, and lease office space in town. The assets were listed for sale with a broker, and accordingly, the assets were classified as Available for Sale, net on the accompanying financial statements.

Assets Available for Sale, Net at June 30, 2017 consisted of the following:

	<u>2017</u>
Land	\$145,900
Buildings and Improvements	<u>759,615</u>
Total	905,515
Less: Accumulated Depreciation	<u>(325,313)</u>
Land, Improvements and Building, Net	<u>\$580,202</u>

In July 2017, United Way sold the Land, Building and Improvements for \$632,500, resulting on a Loss on the disposition of approximately \$21,100. Accordingly, at June 30, 2017, United Way had written the Assets Available for Sale down to their Net realizable value and recognized an Impairment loss on the sale, in the accompanying financial statements.

NOTE 9 - AGENCY ASSETS AND LIABILITIES

Designations

United Way 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.

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018  

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(with comparative totals for 2017)

NOTE 9 - AGENCY ASSETS AND LIABILITIES (continued)

Fiscal Processing Arrangements

United Way acts as a fiscal processing agency for several community organizations which carry out Community Impact programs serving the Southern Litchfield County area. 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 at June 30 consisted of the following:

	<u>2018</u>	<u>2017</u>
<u>Agency Assets:</u>		
Promises to Give, Net	\$ 92,325	\$86,084
Cash	<u>17,536</u>	<u>10,758</u>
Total	<u>\$109,861</u>	<u>\$96,842</u>
<u>Agency Liabilities:</u>		
Designations	\$ 92,325	\$86,544
<u>Fiscal Processing Arrangements:</u>		
New Milford Culinary School	234	234
Car Seat Safety Program	3,294	4,634
Walking Project	4,907	5,055
New Milford	8,726	-
Healthy 2020	<u>375</u>	<u>375</u>
Total	<u>\$109,861</u>	<u>\$96,842</u>

NOTE 10 - GRANTS

United Way is the recipient of several grants. Grant revenue is recognized as expenditures against the grants that are incurred. Grants receivable represent expenditures on Grants incurred in excess of payments received from Grantors. Refundable advances on grants consist of payments received from Grantors where the payments received were in excess of expenditures incurred. Management of United Way does not anticipate that there would be any material changes as a result of Grant audits.

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

(with comparative totals for 2017)

NOTE 10 - GRANTS (continued)

Refundable Advances on grants at June 30 and Grant Revenue for the year ended June 30 consisted of the following:

<u>2018</u>	<u>Refundable Advances</u>	<u>Grant Revenue</u>
Discovery Program for Children	\$ -	\$ 3,818
State of CT – Office of Early Childhood	-	100,965
Danbury Promise for Children-Community Development Block Grant	-	20,000
Emergency Food and Shelter	-	151,709
Strong Start Neighborhood Initiative	45,000	58,726
Danbury Grant for Social Services	15,000	384,750
Danbury Collaborative Award	-	22,500
Let's Go Grant	-	23,267
Bloomberg Grant	68,221	31,779
Grossman Parents as Teachers Grant	13,228	286,772
Working Cities Challenge Grant	<u>63,062</u>	<u>14,423</u>
Total	<u>\$204,511</u>	<u>\$1,098,709</u>
<u>2017</u>	<u>Refundable Advances</u>	<u>Grant Revenue</u>
Discovery Program for Children	\$ 3,818	\$ 111,045
State of CT - Education Match	-	32,456
Emergency Food and Shelter	-	169,812
Strong Start Neighborhood Initiative	47,476	103,431
Danbury Grant for Social Services	22,500	384,750
Strive-Cradle to Career Initiative	-	38,750
Let's Go Grant	-	17,634
Grossman Infrastructure Grant	-	50,000
Grossman Parents as Teachers Grant	-	309,352
Working Cities Challenge Grant	<u>2,485</u>	<u>12,515</u>
Total	<u>\$76,279</u>	<u>\$1,229,745</u>

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

(with comparative totals for 2017)

NOTE 11 - NET ASSETS

Unrestricted - Board Designated

As of June 30, the Board of Directors has Designated the following amounts for the purposes indicated:

Children's Programs and Services

These amounts consisted of the unexpended portion of an initial \$3,400,000 from the sales proceeds of closely held stock during the year ended June 30, 2008 plus an additional \$407,000 from a gift from an anonymous donor during the year ended June 30, 2011, to be used for Children's Programs and Services benefiting children in Northern Fairfield County. The Board intends that these funds be expended in a scheduled fashion over the next several years. The remaining Designated balance was \$804,939 and \$808,169 at June 30, 2018 and 2017, respectively.

<u>Board Designated - Other</u>	<u>2018</u>	<u>2017</u>
Stabilization Reserve Fund (a)	\$ 545,994	\$ 403,982
Stamford Society (b)	17,655	37,655
Future Community Impact Awards (c)	95,993	95,993
Stamford Rent and Operations (d)	400,000	460,000
Furthering Volunteerism (e)	170,000	175,000
Cradle to Career Initiatives (f)	27,772	-
ALICE Enrichment Fund (g)	29,000	-
Community Impact Operations (h)	1,477,308	1,047,047
Strong Start Park Avenue (i)	13,924	18,180
Imagination Library (j)	<u>8,517</u>	<u>9,951</u>
Total	<u>\$2,786,163</u>	<u>\$2,247,808</u>

- (a) Designated to insure against unforeseen campaign, economic and organizational circumstances.
- (b) The Board of Directors has approved the Designation of certain Unrestricted net assets including planned gifts and assets received from sources other than the annual campaign, for a Fund known as the Stamford Society. The purpose of the Fund is to support special projects or special needs of the community of Stamford, which in the Board's opinion were not being adequately addressed by the annual Campaign and the annual Allocations process of which \$17,655 and \$37,655 remained designated at June 30, 2018 and 2017, respectively.
- (c) The Board of Directors had Designated \$70,993 from amounts raised in the 2010-2011 campaign plus an additional \$70,000 approved from the proceeds of the sale of the Stamford facility, to be awarded to agencies to be selected subsequent to June 30, 2012 of which \$95,993 remained Designated at June 30, 2018 and 2017.

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

(with comparative totals for 2017)

NOTE 11 - NET ASSETS (continued)

Board Designated – Other (continued)

- (d) The Board of Directors had Designated \$608,000 from the proceeds of the sale of the Stamford facility to be used to fund the future rent and operations of the new Stamford premises of which \$400,000 and \$460,000 remained Designated at June 30, 2018 and 2017, respectively.
- (e) The Board of Directors had Designated \$340,000 for activities and programs to encourage volunteerism, of which \$170,000 and \$175,000 remained Designated as of June 30, 2018 and 2017, respectively.
- (f) During the year ended June 30, 2018, the Board of Directors Designated \$27,772 to fund future Cradle to Career Initiatives
- (g) During the year ended June 30, 2018, the Board of Directors Designated \$29,000 for activities related to the ALICE Enrichment Program.
- (h) At June 30, 2018 and 2017, the Board of Directors had Designated \$1,477,308 and \$1,047,047 for future grants or endowments for programs, respectively.
- (i) At June 30, 2018 and 2017, the Board of Directors had Designated \$13,924 and \$18,180 to help fund the Strong Start Park Avenue initiative, respectively.
- (j) At June 30, 2018 and 2017, respectively, the Board of Directors had Designated \$8,517 and \$9,951 for expenditures related to Imagination Library, respectively.

Temporarily Restricted

Temporarily restricted net assets at June 30 were restricted for the following purposes or periods:

	<u>2018</u>	<u>2017</u>
<u>Purpose Restricted</u>		
Youth Volunteer Program	\$ -	\$ 6,064
Discovery Program for Children	-	3,570
Center for Financial Stability	79,110	98,110
Heart of Gold Scholarship	<u>15,000</u>	<u>-</u>
Total Purpose Restricted	<u>94,110</u>	<u>107,744</u>
<u>Time Restricted</u>		
Support Restricted for Community Impact Grants and Distributions in Subsequent Year	<u>1,009</u>	<u>579</u>



UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

(with comparative totals for 2017)

NOTE 11 - NET ASSETS (continued)

Temporarily Restricted (continued)

	<u>2018</u>	<u>2017</u>
<u>Time and Purpose Restricted</u>		
Back to School	\$ 33,582	\$ 3,550
Youth Volunteer Program	16,623	10,000
Discovery Program for Children	-	12,500
The Volunteer Center - Volunteerism	15,000	15,000
The Volunteer Center – Save Program	15,207	15,000
Stamford Food Collaborative	-	12,500
Stamford Cradle to Career	58,228	7,500
ALICE Enrichment Program	-	4,000
ALICE Senior Program	2,820	10,000
ALICE Long Term Sustainability	426,834	-
ALICE Long Term Sustainability		
Food Policy Manager	196,700	-
Food Security Program	22,559	2,550
Summer Start Program	8,500	-
Buck Middle School Transition Program	50,000	-
The Sandra L. and John P. Rankin		
Education and Income Fund	221,476	246,132
Financial Opportunity Center	<u>58,256</u>	<u>58,256</u>
Total Time and Purpose Restricted	<u>1,125,785</u>	<u>396,988</u>
Total Temporarily Restricted	<u>\$1,220,904</u>	<u>\$505,311</u>

Net assets released from donor restrictions by incurring expenses satisfying the restricted purposes, by occurrence of other events or by passage of time for the years ended June 30 were as follows:

	<u>2018</u>	<u>2017</u>
<u>Satisfaction of Purpose Restrictions</u>		
Stamford Cradle to Career	\$ -	\$ 3,394
Center for Financial Stability	19,000	-
Discovery Program for Children	3,570	-
Youth Volunteer Program	6,064	-
Discovery Initiative	<u>-</u>	<u>46,055</u>
Total Purpose Restrictions	<u>28,634</u>	<u>49,449</u>

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

(with comparative totals for 2017)

NOTE 11 - NET ASSETS (continued)

Temporarily Restricted (continued)

	<u>2018</u>	<u>2017</u>
<u>Expiration of Time and Purpose Restrictions</u>		
Discovery Program for Children	\$12,500	\$ -
Back to School	-	15,450
Strong Start	-	2,000
Stamford Food Collaborative	12,500	-
ALICE Enrichment Program	4,000	-
ALICE Senior Program	7,180	-
The Sandra L. and John P. Rankin Education And Income Fund	<u>24,656</u>	<u>-</u>
Total Time and Purpose Restrictions	<u>60,836</u>	<u>17,450</u>
<u>Expiration of Time Restrictions</u>		
Support Restricted for Community Impact Grants and Distributions in Subsequent Year	<u>579</u>	<u>1,009</u>
TOTAL	<u>\$90,049</u>	<u>\$67,908</u>

NOTE 12 - RETIREMENT PLANS

Employees

United Way has an IRS Section 401(k) Plan to which it contributes 7% of each eligible employee's salary. In addition, all eligible employees may make voluntary pre-tax contributions to the 401(k) Plan. United Way will match 50% of the employee's contribution, not to exceed 2% of their salary.

United Way also has a Tax Deferred Annuity Plan under IRS Section 403(b), to which no United Way contributions have been made. These assets remain in a separate account maintained by the Plan administrator.

Employer contributions of approximately \$92,700 and \$92,100 for the years ended June 30, 2018 and 2017, respectively, are included in Employee benefits.

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

(with comparative totals for 2017)

NOTE 13 - LEASE ARRANGEMENTS

Lessor

Rental Income - NFC

United Way leased a portion of its Danbury facility to a Not-for-profit tenant on a month-to-month basis at an annual rental of \$4,200. Upon sale of the facility in July 2017 (Note 8), the lease was effectively terminated. Rental income on this lease amounted to \$226 and \$4,200 for the years ended June 30, 2018 and 2017, respectively.

Lessee

Equipment Leases

United Way leases office equipment under several leases expiring to December 2022 at a present monthly rental aggregating approximately \$2,100.

Automobile Lease

In October 2015, the Agency entered into an agreement to lease an automobile for a three year period, at a monthly rental of approximately \$410. The lease was terminated in August 2018, and United Way entered into a new lease agreement for another vehicle. The new lease required an initial down payment of \$5,050, and monthly payments of \$395 for 38 months.

Rental Expense – Litchfield

United Way leases office space in New Milford on a month-to-month basis for \$300 per month in order to service the Southern Litchfield County Community.

Rental Expense – Stamford

In December 2011, United Way entered into a ten year, three month Lease agreement for office space in the downtown Stamford area effective May 2012. The Lease provides for a security deposit in the amount of \$15,000. United Way is responsible for its pro-rata share of electricity expenses in the amount of \$1,089 monthly. In the event of a rate increase by the electricity provider, United Way's share will be increased accordingly. Additionally, United Way is to pay their proportionate share of the operating expenses and real estate taxes for the building as calculated on a yearly basis.

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

(with comparative totals for 2017)

NOTE 13 - LEASE ARRANGEMENTS (continued)

Lessee (continued)

Rental Expense – Danbury

In July 2016, United Way entered into a lease agreement to rent office space in Danbury, Connecticut to facilitate the sale of their Land and Building (Note 8). The term of the agreement is for five years and expires on July 31, 2021. United Way is responsible for its share of utilities. United Way has the option to renew this lease for an additional five years, at an annual rate of \$50,255, providing they notify the landlord not later than six months prior to the expiration of the original lease.

Future Minimum rental lease payments for both leases at June 30, 2018 were as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2019	\$147,638
2020	154,383
2021	157,121
2022	115,433
2023	<u>9,302</u>
Total	<u>\$583,877</u>

NOTE 14 - FUNDRAISING

United Way's Fund-raising activities consist primarily of the Heart of Gold dinner and Hometown Heroes dinner, along with other Fund-raising events which include King of The Hill and United at the Cove 5k. During the year ended June 30, 2017, the Hometown Heroes dinner was moved to December, and as such, there was no Hometown Heroes income or expense in the year ended June 30, 2017. A summary of Fund-raising activities for the years ended June 30, is as follows:

	<u>2018</u>	<u>2017</u>
<u>Revenue</u>	<u>\$208,637</u>	<u>\$120,464</u>
<u>Expenses</u>		
Fund-raising and Other		
Event Expenses	37,788	34,295
Direct Benefit		
to Donors	<u>69,630</u>	<u>29,334</u>
Total Expenses	<u>107,418</u>	<u>63,629</u>
Net	<u>\$101,219</u>	<u>\$ 56,835</u>

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

(with comparative totals for 2017)

NOTE 15 - LINE OF CREDIT

In October 2015, United Way entered into a \$500,000 revolving Line of Credit Agreement, subject to annual review and renewal. The Line bears interest at the Prime rate plus 1.0%. The Prime rate at June 30, 2018 and 2017 was 5.00% and 4.25%, respectively. The Line is secured by the investments in the account at the brokerage affiliate of Union Savings Bank, with United Way being required to maintain a minimum balance of \$1,000,000. United Way's Board of Directors 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, 2018 or 2017. There was no Interest expense on the Line of Credit for each of the years ended June 30, 2018 and 2017.

NOTE 16 - PRIOR YEAR INFORMATION

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 accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with United Way's financial statements at June 30, 2017 and for the year ended June 30, 2017, from which the summarized information was derived.