

United Way of Greater New Haven, Inc.

**Financial Statements
(With Supplementary Information)
and Independent Auditor's Report**

**June 30, 2021
(With Comparative Totals for June 30, 2020)**

United Way of Greater New Haven, Inc.

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Independent Auditor's Report

To the Board of Directors
United Way of Greater New Haven, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of United Way of Greater New Haven, Inc., which comprise the statement of financial position as of June 30, 2021, 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 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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 Greater New Haven, Inc. as of June 30, 2021, 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

Report on Summarized Comparative Information

We have previously audited United Way of Greater New Haven, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 3, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and schedule of expenditures of state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Act, respectively, are 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2021, on our consideration of United Way of Greater New Haven, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of United Way of Greater New Haven, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering United Way of Greater New Haven, Inc.'s internal control over financial reporting and compliance.



Hartford, Connecticut
December 14, 2021

United Way of Greater New Haven, Inc.

**Statement of Financial Position
June 30, 2021
(With Comparative Totals for 2020)**

	<u>Assets</u>	
	<u>2021</u>	<u>2020</u>
Assets		
Cash and cash equivalents	\$ 3,673,899	\$ 2,927,402
Campaign pledges receivable, net	701,490	717,309
Grants receivable	389,297	104,781
Other assets	58,007	64,781
Investments	1,458,967	1,125,621
Property and equipment, net	<u>40,951</u>	<u>53,365</u>
 Total assets	 <u>\$ 6,322,611</u>	 <u>\$ 4,993,259</u>
	<u>Liabilities and Net Assets</u>	
Liabilities		
Accounts payable	\$ 371,010	\$ 309,795
Donor-directed gifts payable	492,994	659,807
Accrued expenses and other liabilities	283,311	129,693
Refundable advance - grants	534,481	263,978
Refundable advance - PPP loan	<u>296,415</u>	<u>296,415</u>
 Total liabilities	 <u>1,978,211</u>	 <u>1,659,688</u>
Net assets		
Without donor restrictions		
Unrestricted	2,109,197	713,089
Board designated	1,582,000	1,905,674
Property and equipment	40,951	53,365
With donor restrictions	<u>612,252</u>	<u>661,443</u>
 Total net assets	 <u>4,344,400</u>	 <u>3,333,571</u>
 Total liabilities and net assets	 <u>\$ 6,322,611</u>	 <u>\$ 4,993,259</u>

See Notes to Financial Statements.

United Way of Greater New Haven, Inc.

**Statement of Activities
Year Ended June 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)**

	Without donor restrictions	With donor restrictions	2021 Total	2020 Total
<u>Public support and revenue</u>				
Campaign amounts raised	\$ 3,364,643	\$ 990,056	\$ 4,354,699	\$ 4,507,469
Less				
Uncollectible pledges	(240,313)	-	(240,313)	(218,173)
Amounts designated by donors	(676,980)	-	(676,980)	(1,112,969)
Net assets released from restrictions	<u>1,041,342</u>	<u>(1,041,342)</u>	<u>-</u>	<u>-</u>
Campaign revenue, net	<u>3,488,692</u>	<u>(51,286)</u>	<u>3,437,406</u>	<u>3,176,327</u>
<u>Other revenue</u>				
Gifts, bequests, grants and other	1,336,184	-	1,336,184	1,336,418
Government grants	3,563,471	-	3,563,471	3,428,982
Investment income, net of fees of \$8,336	19,130	2,095	21,225	21,279
Realized gain on sale of investments	40,024	-	40,024	49,278
Administrative fees	42,852	-	42,852	74,415
Special events and sponsorships	-	-	-	135
Miscellaneous income	919	-	919	50,151
Total other revenue	<u>5,002,580</u>	<u>2,095</u>	<u>5,004,675</u>	<u>4,960,658</u>
Total public support and revenue	<u>8,491,272</u>	<u>(49,191)</u>	<u>8,442,081</u>	<u>8,136,985</u>
<u>Functional expenses</u>				
<u>Community Impact and program services</u>				
Community support and gross funds distributed	5,666,052	-	5,666,052	6,151,719
Less amounts designated by donors	<u>(676,980)</u>	<u>-</u>	<u>(676,980)</u>	<u>(1,112,969)</u>
Community Impact (program support)	4,989,072	-	4,989,072	5,038,750
Program services	<u>1,680,778</u>	<u>-</u>	<u>1,680,778</u>	<u>1,416,270</u>
Total Community Impact and program services	<u>6,669,850</u>	<u>-</u>	<u>6,669,850</u>	<u>6,455,020</u>
<u>Support services</u>				
Fundraising	439,526	-	439,526	521,612
Management and general	<u>560,635</u>	<u>-</u>	<u>560,635</u>	<u>447,613</u>
Total support services	<u>1,000,161</u>	<u>-</u>	<u>1,000,161</u>	<u>969,225</u>
Total functional expenses	<u>7,670,011</u>	<u>-</u>	<u>7,670,011</u>	<u>7,424,245</u>
Operating income (loss)	821,261	(49,191)	772,070	712,740
<u>Nonoperating revenue and expenses</u>				
Unrealized gain (loss) on investments	<u>238,759</u>	<u>-</u>	<u>238,759</u>	<u>(29,630)</u>
Change in net assets	1,060,020	(49,191)	1,010,829	683,110
Net assets, beginning of year	<u>2,672,128</u>	<u>661,443</u>	<u>3,333,571</u>	<u>2,650,461</u>
Net assets, end of year	<u>\$ 3,732,148</u>	<u>\$ 612,252</u>	<u>\$ 4,344,400</u>	<u>\$ 3,333,571</u>

See Notes to Financial Statements.

United Way of Greater New Haven, Inc.

**Statement of Cash Flows
Year Ended June 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)**

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Changes in net assets	\$ 1,010,829	\$ 683,110
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation	12,415	15,031
Uncollectible pledges	240,313	218,173
Unrealized (gain) loss in investments	(238,759)	29,630
Realized gain on sale of investments	(40,024)	(49,278)
Changes in operating assets and liabilities		
Campaign pledges receivable	(224,494)	(181,131)
Grants receivable	(284,516)	(71,672)
Other assets	6,774	(22,378)
Accounts payable	61,215	161,630
Donor-directed gifts payable	(166,813)	77,201
Refundable advance- grants	270,503	263,978
Accrued expenses and other liabilities	153,618	47,668
	<u>801,061</u>	<u>1,171,962</u>
Cash flows from investing activities		
Purchases of property and equipment, net	-	(11,192)
Purchases of investments	(306,499)	(270,556)
Proceeds from sales of long-term investments	251,935	278,899
	<u>(54,564)</u>	<u>(2,849)</u>
Cash flows from financing activities		
Proceeds from PPP loan	-	296,415
Net repayments on line of credit	-	(109,913)
	<u>-</u>	<u>186,502</u>
Net change in cash and cash equivalents	746,497	1,355,615
Cash and cash equivalents, beginning	<u>2,927,402</u>	<u>1,571,787</u>
Cash and cash equivalents, end	<u>\$ 3,673,899</u>	<u>\$ 2,927,402</u>

See Notes to Financial Statements.

United Way of Greater New Haven, Inc.

**Statement of Functional Expenses
Year Ended June 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)**

	Community Impact and program services	Support services			2021 Total	2020 Total
		Fundraising	Management and general	Total support services		
Community investments						
Community support and gross funds distributed	\$ 5,666,052	\$ -	\$ -	\$ -	\$ 5,666,052	\$ 6,151,719
Less amounts designated by donors	(676,980)	-	-	-	(676,980)	(1,112,969)
Community Impact (program support)	4,989,072	-	-	-	4,989,072	5,038,750
Salaries and related benefits						
Salaries and wages	1,114,107	231,390	285,234	516,624	1,630,731	1,371,734
Employee benefits	114,833	39,376	66,087	105,463	220,296	229,314
Payroll taxes	81,609	23,180	7,505	30,685	112,294	105,833
Subtotal - salaries and related benefits	1,310,549	293,946	358,826	652,772	1,963,321	1,706,881
Other expenses						
Occupancy	134,752	37,778	27,968	65,746	200,498	178,459
Professional fees	68,078	16,914	39,145	56,059	124,137	144,389
Telephone	11,738	3,523	3,075	6,598	18,336	15,926
Supplies, printing and production	7,017	1,758	2,122	3,880	10,897	10,036
Postage and shipping	1,964	8,296	579	8,875	10,839	4,767
Printing and publication	18,818	8,698	4,261	12,959	31,777	31,269
Equipment rental and maintenance	28,778	29,097	44,092	73,189	101,967	70,137
Awards	-	-	-	-	-	569
Community engagement	6,813	-	3,253	3,253	10,066	-
Fees	-	17,009	11,929	28,938	28,938	-
New media	-	-	-	-	-	100,536
Travel	71	11	-	11	82	2,523
Conferences and meetings	6,594	1,265	1,826	3,091	9,685	7,716
Membership - dues	66,440	15,316	39,084	54,400	120,840	93,187
Miscellaneous	11,066	3,896	22,179	26,075	37,141	4,069
Depreciation	8,100	2,019	2,296	4,315	12,415	15,031
Subtotal - other expenses	370,229	145,580	201,809	347,389	717,618	678,614
Total functional expenses	\$ 6,669,850	\$ 439,526	\$ 560,635	\$ 1,000,161	\$ 7,670,011	\$ 7,424,245

See Notes to Financial Statements.

United Way of Greater New Haven, Inc.

Notes to Financial Statements June 30, 2021

Note 1 - Nature of operations

United Way of Greater New Haven, Inc. ("United Way") is a not-for-profit organization incorporated in 1971 in the State of Connecticut and governed by a volunteer Board of Directors. The mission of United Way is to bring people and organizations together to create solutions to Greater New Haven's most pressing challenges in the areas of Education, Health, and Financial Stability, grounded in racial and social justice.

United Way's driving goal is to make Greater New Haven a place where all children are nurtured, all families are thriving, and all community members have opportunities to reach their full potential.

To accomplish this goal, United Way listens and learns to understand community needs and aspirations, develops community solutions, activates donors and volunteers, and serves our neighbors in need, with a particular focus on ending disparities based on race. United Way has been a presence in Greater New Haven for over 100 years.

United Way fundraising campaigns are conducted throughout the year to raise money and support for our community investment in health, education, and financial stability programs and initiatives. United Way receives a majority of its contributions in the greater New Haven region, and serves this region as well. This 12-town greater New Haven region includes Bethany, Branford, East Haven, Guilford, Hamden, Madison, New Haven, North Branford, North Haven, Orange, West Haven and Woodbridge.

The success of each year's campaign is dependent not only on the goodwill of this community, but is also influenced by the economic climate affecting major businesses and employee groups, among other factors. United Way's fundraising activities rely on a significant effort by community volunteers. Fundraising costs are expensed in the period incurred regardless of when related campaign contributions are recorded as earned.

In addition, United Way generates, manages, and distributes significant financial resources for the region through government and foundation grants. Funds raised support local programs and projects that demonstrate measurable results for the community.

More information about United Way's results for our community can be found at www.uwgnh.org.

United Way of Greater New Haven is a member of United Way Worldwide ("UWW"). UWW is a national leadership organization for the United Way movement. Membership in UWW constitutes an affiliate relationship under the Internal Revenue Service ("IRS") definition of Federated Fundraising Agencies. The payment reported is a quota support payment to UWW for which this United Way receives, among other services, the right to use the national brand in charitable endeavors, national advocacy of issues, member education and training, centralized creation and support for marketing of fundraising campaigns, fostering relationships with national organizations that support multiple members, establishment and monitoring of compliance with standards of accountability by members, establishment of policies and processes that improve operational efficiencies among members, and promotion of concept of local community impact on a national scale. The UWW membership fees were \$118,065 for the year ended June 30, 2021.

Members of UWW have membership criteria to ensure that all members meet basic legal, financial and ethical standards to ensure consistent and transparent reporting among member United Ways. To remain a member in good standing, United Way certifies annually that it has met the basic criteria for membership to UWW.

United Way of Greater New Haven, Inc.

**Notes to Financial Statements
June 30, 2021**

Note 2 - New accounting pronouncement

United Way adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers*. This ASU provides new revenue recognition guidance that superseded existing revenue recognition guidance. The update, as amended, requires the recognition of revenue related to the transfer of goods or services to customers which reflects the consideration to which the entity expects to be entitled in exchange for those goods or services, as well as additional qualitative and quantitative disclosures about revenue. United Way adopted ASU 2014-09 on July 1, 2020 using the modified retrospective method of transition. United Way performed an analysis of revenue streams and transactions under ASU 2014-09. The new standard also requires enhanced disclosures related to the disaggregation of revenue and significant judgments made in measurement and recognition. The impact of adopting ASU 2014-09 was not material to total revenue without donor restrictions, change in net assets without donor restrictions, or total net assets.

Note 3 - Summary of significant accounting policies

Basis of presentation

The accompanying financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net assets with donor restrictions - Net assets subject to donor-imposed restrictions that may or will be met by actions of United Way and/or the passage of time and net assets subject to donor-imposed restrictions that they be maintained permanently by United Way. Generally, the donors of these assets permit United Way to use all or part of the income earned and capital gains, if any, on related investments for general or specific purposes.

Board-designated net assets - Net assets without donor restrictions set aside by the Board of Directors for community investment.

Net assets without donor restrictions - Net assets not subject to donor-imposed restrictions.

Prior year summarized 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 for the year ended June 30, 2020, from which the summarized information was derived.

Certain amounts in the 2020 financial statements have been reclassified to conform to the 2021 presentation.

United Way of Greater New Haven, Inc.

Notes to Financial Statements June 30, 2021

Revenue recognition

Contributions

Transactions where the resource provider does not receive commensurate value are deemed to be contributions. Contributions are classified as either conditional or unconditional. A conditional contribution is a transaction where United Way has to overcome a barrier or hurdle to be entitled to the resource and the resource provider is released from the obligation to fund or has the right of return of any advanced funding if United Way fails to overcome the barrier. United Way recognizes the contribution revenue upon overcoming the barrier or hurdle. Any funding received prior to overcoming the barrier is recognized as refundable advance.

Unconditional contributions are recognized as revenue and receivable when the commitment to contribute is received.

Conditional and unconditional contributions are recorded as either with donor restrictions or without donor restrictions. Contributions are recognized as contributions with donor restrictions if they are received with donor stipulations that limit the use of the donated asset or are restricted for time. Contributions received with no donor stipulations are recorded as contributions without donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and are reported in the statements of activities as net assets released from restriction. Donor-restricted contributions whose restrictions expire during the same fiscal year are recognized as contributions without donor restriction.

Grant and contract services

Revenue from grants and contracts with resource providers such as the government and its agencies, other organizations and private foundations are accounted for either as exchange transactions or as contributions. When the resource provider receives commensurate value in return for the resources transferred to United Way, the revenue from the grant or contract is accounted for as an exchange transaction. For purposes of determining whether a transfer of asset is a contribution or an exchange, United Way deems that the resource provider is not synonymous with the general public, i.e., indirect benefit received by the public as a result of the assets transferred is not deemed equivalent to commensurate value received by the resource provider. Moreover, the execution of a resource provider's mission or the positive sentiment from acting as a donor is not deemed to constitute commensurate value received by a resource provider. Revenue from grants and contracts that is accounted for as exchange transactions is recognized when performance obligations have been satisfied. Grants and contracts awarded for the acquisition of long-lived assets are reported as nonoperating revenue, in the absence of donor stipulations to the contrary, during the fiscal year in which the assets are acquired. Receipts of grant awards in advance, which are payable back to the funding agency if not used, are classified as refundable advances in the accompanying statement of financial position.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and highly-liquid investments with an original maturity of three months or less when purchased. These investments are readily convertible to cash and are stated at fair value.

Investments

United Way reports investments at their current fair value and reflects any gain or loss in the statement of activities. Gains and losses are classified as without donor restrictions unless restricted by donor stipulation or by operation of law. Nonmonetary investments received as gifts are immediately sold and recorded at the realized value.

United Way of Greater New Haven, Inc.

Notes to Financial Statements June 30, 2021

Property and equipment

Property and equipment are recorded at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets, which range from three to ten years.

Donations of property and equipment are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, United Way reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. United Way reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Endowment investment and spending policies

United Way's endowment consists of one donor-restricted endowment fund established for specific purposes.

The Board of Directors has interpreted the State of Connecticut's Uniform Prudent Management of Institutional Funds Act ("CTUPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, United Way classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment in perpetuity, (b) the original value of subsequent gifts to the endowment in perpetuity, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not held in perpetuity is donor restricted due to time or purpose until those amounts are appropriated for expenditure by the Board of Directors in a manner consistent with the standard of prudence prescribed by the CTUPMIFA.

In accordance with CTUPMIFA, United Way considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund;
2. The purposes of United Way and the donor-restricted endowment fund;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of United Way; and
7. The investment policies of United Way.

United Way has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that United Way must hold in perpetuity.

United Way of Greater New Haven, Inc.

Notes to Financial Statements June 30, 2021

To satisfy its long-term rate-of-return objectives, United Way relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). United Way targets a diversified asset allocation that generally targets an even balance between equity and fixed income based investments to achieve its long-term return objectives within prudent risk constraints.

Under United Way's spending rate policy, actual income received (interest) is deemed to be prudently expendable to support current operations. In establishing this policy, United Way considered the long-term expected return on its endowment to be maintained. United Way would not expend from a fund that is underwater. There are no underwater funds at June 30, 2021.

Functional expenses

Direct expenses are charged to each program benefited. Certain expenditures not directly chargeable are allocated among the programs.

Income taxes

United Way was organized as a nonstock, nonprofit corporation under Section 501(c)(3) of the Internal Revenue Code and as such is not subject to federal and state corporate income taxes.

United Way has no unrecognized tax benefits at June 30, 2021. United Way's federal and state information returns prior to fiscal year 2018 are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

If United Way has unrelated business income taxes, United Way will recognize interest and penalties associated with uncertain tax positions as part of the income tax provision and include accrued interest and penalties with the related tax liability in the statement of financial position.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent events

United Way has evaluated events and transactions for potential recognition or disclosure through December 14, 2021, which is the date the financial statements were available to be issued.

United Way of Greater New Haven, Inc.

**Notes to Financial Statements
June 30, 2021**

Note 4 - Liquidity

United Way regularly monitors liquidity required to meet its annual operating needs and other contractual commitments while also striving to maximize the return on investment of its funds not required for annual operations. As of June 30, 2021, United Way has approximately \$4 million of financial assets available to meet annual operating needs for the 2022 fiscal year as follows:

Cash and cash equivalents	\$ 3,673,899
Investments	1,458,967
Campaign pledges receivables	701,490
Grants and other receivables	<u>389,297</u>
Less	6,223,653
Endowment funds to be held in perpetuity	(50,664)
Endowment funds restricted to time and purpose	(4,310)
Donor designated gifts	(522,465)
Board designated	<u>(1,582,000)</u>
	<u><u>\$ 4,064,214</u></u>

These financial assets are not subject to any donor or contractual restrictions.

United Way supports its general operations primarily with contributions and grants. In addition, the Board may use funds previously designated for community investment.

To deal with unplanned cash requirements that might arise, United Way can draw on its \$750,000 line of credit.

Note 5 - Concentration of credit risk

United Way maintains its cash and cash equivalents in bank deposit accounts, which, at times, may exceed federally insured limits. United Way has not experienced any losses in such accounts. United Way believes it is not exposed to any significant credit risk on cash and cash equivalents. The total uninsured cash balance at June 30, 2021 was approximately \$3,334,000.

United Way invests in various securities. These investment securities are recorded at market value. Accordingly, the investment securities can fluctuate because of interest rates, reinvestment, credit and other risks depending on the nature of the specific investment. Therefore, it is at least reasonably possible that these factors will result in changes in the value of United Way's investments which could materially affect amounts reported on the financial statements.

United Way of Greater New Haven, Inc.

**Notes to Financial Statements
June 30, 2021**

Note 6 - Pledges receivable and allowance for uncollectible pledges

Pledges receivable, which are expected to be collected within one year, and the allowance for uncollectible pledges at June 30, 2021 are as follows:

Campaign conducted	Campaign allocation year	Balance of pledges receivable	Allowance for uncollectible pledges	Net pledges receivable
Fall 2021	2022	\$ 858,593	\$ 157,103	\$ 701,490
Fall 2020	2021	272,400	272,400	-
Fall 2019	2020	210,443	210,443	-
Fall 2018	2019	94,879	94,879	-
		<u>\$ 1,436,315</u>	<u>\$ 734,825</u>	<u>\$ 701,490</u>

The majority of campaign pledges received by United Way are honored via payroll deductions. These pledges are remitted to United Way throughout the year by the individual's employer.

The estimated allowance for uncollectible pledges is based upon an average of historical pledge loss factors adjusted by management's estimates of current economic and local business factors, applied to overall campaign activity. Initial reserve amounts are calculated (and recorded) on gross campaign amounts raised. Specific pledge amounts are written off when management has ascertained the amounts will not be collected. Otherwise, the overall outstanding campaign balance is reconciled and closed at a later date and time.

UWW standards require the direct payment of donor directed gifts by the "processing" local United Way rather than having proceeds flow through the "managing" United Way of the workplace campaign. If no collection and payment detail is provided to United Way by the campaign "processor" (another local United Way or a third-party agent contracted by the company for its campaign), these specific designated gifts are assumed to be collected (and disbursed) in full and are recorded accordingly as campaign revenue and amounts designated by donors.

Should the actual pledge loss from a campaign be less than or greater than the amount initially reserved, the difference is recorded in current year results.

Note 7 - Donor-directed gifts

Through United Way's Community Campaign, donors can direct their gifts to any qualified 501(c)(3) organization in the region that has been approved to receive designations through the United Way campaign. Generally, a 10% fee (including administrative and fundraising costs) per designated gift is deducted from donor-directed gifts.

Membership in UWW requires that local United Ways charge donors no more than the actual cost incurred to process and transfer their designated gifts. The formulas utilized to determine fundraising and administrative costs are based upon a current, three-year average of information taken from IRS Form 990. United Ways are permitted to charge less than this amount, so long as the amount of undesignated dollars used to subsidize this policy, if applicable, is knowingly undertaken by the local United Way's board.

United Way of Greater New Haven, Inc.

Notes to Financial Statements June 30, 2021

In some cases, fundraising and administrative costs vary per campaign and by agreement with Federations. For donor-directed gifts received from other United Way campaigns, no additional fees are deducted.

Expenses incurred for the processing of these donor-directed gifts include, but are not limited to, the verification of 501(c)(3) status of designated agencies, internal review and analysis of agency materials submitted to apply to receive donor-directed gifts, maintenance of an agency database, recording of individual donor-directed gift data, the compilation of donor-directed gift information in reports, and notification of payments to be forwarded to recipient agencies. Donor-directed gift expenses (the costs incurred in processing/transferring donor-directed gifts) are similar to pledge processing and administrative costs and, therefore, do not qualify and are not reported as community investment and program services.

Donor-directed gifts of \$676,980 at June 30, 2021 are shown as a reduction in the amount reported as campaign amounts raised and community impact expenses in the statement of activities.

Note 8 - Other assets

Details of other assets at June 30, 2021 are as follows:

Charitable remainder unitrust	\$	34,813
Prepaid expenses		<u>23,194</u>
	\$	<u><u>58,007</u></u>

United Way is a 10% beneficiary of a charitable remainder unitrust ("CRUT"). On an annual basis, United Way revalues its interest in the CRUT based on actuarial assumptions. The present value of United Way's interest in the CRUT is calculated using a discount rate of 8.00% and applicable mortality tables.

Note 9 - Investments

Investments at June 30, 2021 are summarized as follows:

	<u>Cost</u>	<u>Market value</u>	<u>Unrealized gain</u>
Mutual funds	<u>\$ 1,170,378</u>	<u>\$ 1,458,967</u>	<u>\$ 288,589</u>

Note 10 - Fair value measurements

United Way values its financial assets and liabilities based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs is used to measure fair value into three broad levels, which are described below:

- Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

United Way of Greater New Haven, Inc.

**Notes to Financial Statements
June 30, 2021**

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

If an asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, United Way utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value. There have been no changes in the methodologies used during fiscal year 2021.

Assets measured at fair value on a recurring basis at June 30, 2021 are as follows:

Description	Fair value	Level 1	Level 2	Level 3
Mutual funds				
Domestic equity	\$ 679,831	\$ 679,831	\$ -	\$ -
Fixed income	395,120	395,120	-	-
International	274,642	274,642	-	-
Alternatives	35,993	35,993	-	-
Market Neutral	73,381	73,381	-	-
Beneficial interest - charitable remainder unitrust	34,813	-	-	34,813
	\$ 1,493,780	\$ 1,458,967	\$ -	\$ 34,813

Mutual funds (Level 1) are valued at the daily closing price as reported by the fund. Mutual funds are open-ended funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds are deemed to be actively traded.

Fair value for the beneficial interest - charitable remainder unitrust is determined by calculating the present value of the future distributions expected to be received, using published life expectancy tables and an 8.0% discount rate (Level 3).

Changes in assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3 inputs) are as follows:

United Way's policy is to recognize transfers in and transfers out of each level as of the actual date of the event or change in circumstances that caused the transfer. There were no transfers between each level during the year ended June 30, 2021.

United Way of Greater New Haven, Inc.

**Notes to Financial Statements
June 30, 2021**

Note 11 - Property and equipment

Details of property and equipment at June 30, 2021 are as follows:

Equipment	\$ 20,424
Furniture and fixtures	<u>99,343</u>
	119,767
Less accumulated depreciation	<u>(78,816)</u>
	<u><u>\$ 40,951</u></u>

Depreciation expense for the year ended June 30, 2021 was \$12,415.

Note 12 - Line of credit

United Way has a \$750,000 line of credit available for its use. At June 30, 2021, the outstanding balance was \$0. The line is secured by a portion of United Way's cash equivalents and investments.

Note 13 - Net asset restrictions

Certain net assets are restricted to time or purpose as follows:

Net assets restricted in perpetuity	
General operations	\$ 45,064
Mittens, gloves and hats for underprivileged children	<u>5,600</u>
	50,664
Net assets restricted to time and purpose	
Endowment earnings	4,310
Split - interest agreement	34,813
Purpose restrictions	<u>522,465</u>
	<u><u>\$ 612,252</u></u>

Certain net assets have been restricted by the Board of Directors as follows:

Community investments	\$ 582,000
Organizational reserves	<u>1,000,000</u>
	<u><u>\$ 1,582,000</u></u>

United Way of Greater New Haven, Inc.

**Notes to Financial Statements
June 30, 2021**

Changes in endowment net assets for the year ended June 30, 2021 are as follows:

	Without donor restrictions	With donor restrictions		Total
		Time or purpose	Perpetual	
Endowment net assets, July 1, 2020	\$ -	\$ 2,215	\$ 50,664	\$ 52,879
Investment return				
Investment income	-	2,095	-	2,095
Total investment return	-	2,095	-	2,095
Appropriation of endowment assets for	-	-	-	-
June 30, 2021	<u>\$ -</u>	<u>\$ 4,310</u>	<u>\$ 50,664</u>	<u>\$ 54,974</u>

Note 14 - Postretirement benefits other than pensions

United Way provides a postretirement benefit plan consisting of Medicare supplement health insurance coverage and payment for unused sick leave. This plan covers certain employees retiring from United Way on or after attaining age 65 for medical and 62 for sick leave and who have rendered 20 years of service. New employees hired after August 1, 1995 are not eligible to participate in this plan. United Way eliminated the sick leave benefit for all eligible employees as of June 30, 2015. Special coverage is also provided under the plan if certain conditions are met. The expected cost of these postretirement benefits is charged to expense during the years that the employees render service. United Way does not fund this plan. United Way uses a June 30 measurement date for its postretirement plan.

Information of the plan at June 30, 2021 is as follows:

Accumulated postretirement benefit obligation (included in accrued expenses and other liabilities)	\$ 25,350
Postretirement benefit cost (income)	(4,530)
Employer contributions	4,189
Benefits paid	4,189

The following summarizes the amounts in net assets without donor restrictions not yet recognized as components of net periodic benefit cost for the year ended June 30, 2021:

Transitional obligation	\$ -
Prior service cost	-
Unrecognized net gain	<u>(23,304)</u>
Total recognized in net assets without donor restrictions	<u>\$ (23,304)</u>

United Way of Greater New Haven, Inc.

**Notes to Financial Statements
June 30, 2021**

The following summarizes the amounts in net assets without donor restrictions expected to be recognized in net periodic benefit cost for the year ending June 30, 2022:

Amortization of transitional obligation	\$	-
Amortization of prior service cost		-
Amortization of unrecognized net loss		<u>(4,952)</u>
 Total estimated amortizations from net assets without donor restriction to net periodic benefit cost	 \$	 <u>(4,952)</u>

The assumptions used in the measurement of United Way's postretirement benefit obligation and postretirement benefit cost are shown in the following table:

	<u>Obligation</u>	<u>Cost</u>
Weighted-average assumptions		
Discount rate	1.65%	1.53%
Rate of compensation increase	N/A	N/A

The assumed healthcare cost trend rate used to measure the expected cost of benefits covered by the plan for the year ended June 30, 2021 was 6.5%. The ultimate trend rate expected to be achieved by the year ending June 30, 2032 is 4.4%.

Expected future benefit payments as of June 30, 2021 are as follows:

2022	\$	4,000
2023		4,000
2024		4,000
2025		3,000
2026		3,000
2027-2031		10,000

Note 15 - Refundable advance PPP loan

In April 2020, United Way obtained a term note with Key Bank in the amount of \$296,415 pursuant to the Paycheck Protection Program ("PPP"). Established as part of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), the PPP provides for loans to qualifying businesses in amounts up to 2.5 times the business's average monthly payroll expenses. PPP loans and accrued interest are forgivable after a "covered period" (eight or 24 weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries during the covered period. Any unforgiven portion of a PPP loan is payable over two or five years at an interest rate of 1%, with a deferral of payments for 10 months after the end of the covered period. See Note 18 for related subsequent event.

United Way of Greater New Haven, Inc.

**Notes to Financial Statements
June 30, 2021**

Note 16 - Leases

United Way entered into various lease agreements for office space and office equipment. These leases are accounted for as operating leases. Future minimum lease payments as of June 30, 2021 are as follows, see note 18 for related subsequent event:

2022	\$	168,747
2023		160,582
2024		157,475
2025		155,527
2026		12,908

Rent expense amounted to \$181,830 for the year ended June 30, 2021.

Note 17 - Commitments and contingencies

In early 2020, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. As a result, events have occurred including mandates from federal, state and local authorities leading to an overall decline in economic activity. As of June 30, 2021 there was no significant impact to United Way's operations. However, United Way is not able to reliably estimate the length or severity of this outbreak. If the length of the outbreak and related effects on United Way's operations continues for an extended period of time, there could be a loss of revenues and other material adverse effects to United Way's financial position, results of activities, and cash flows.

Note 18 - Subsequent event

United Way submitted its application for PPP loan forgiveness subsequent to June 30, 2021 and received notice from its lender on July 10, 2021 that the SBA approved forgiveness in the amount of \$296,415 for the PPP Loan and the related interest thereon. There is a six-year period during which the SBA can review United Way's forgiveness calculation. As of June 30, 2021, the loan was recognized as a refundable advance on the statement of financial position.

On November 1, 2021 United Way entered into a lease amendment for office space with terms in the agreement expiring July 31, 2025. The lease requires escalating monthly rental payments ranging from \$12,170 to \$12,908 per month over the term of the lease. In addition, United Way is required to pay their proportionate share of any real estate taxes and operating expenses

United Way of Greater New Haven, Inc.

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021**

Federal grantor/ pass-through grantor/ program or cluster title	Federal CFDA Number	entity identifying number	Passed through to subrecipients	Total Federal expenditures
U.S. Department of Health and Human Services Head Start	93.600	N/A	\$ 1,859,926	\$ 1,859,926
Total U.S. Department of Health and Human Services			<u>1,859,926</u>	<u>1,859,926</u>
U.S Department of Housing and Urban Development Passed through State of Connecticut Department of Housing Continuum of Care	14.267	17DOH1003GV	-	45,000
Passed through State of Connecticut Department of Housing and Town of Guilford Community Development Block Grants	14.218	SC1906001	226,298	226,298
Cold Weather Protocol	97.086	20DOH1011GV	-	443,871
Cold Weather Protocol	14.231	20DOH1011GV	-	155,931
Total U.S. Department of Housing and Urban Development			<u>226,298</u>	<u>871,100</u>
U.S. Department of Treasury Passed through State of Connecticut Department of Housing Coronavirus Relief Funds	21.019	WIOA 17-008	129,164	129,164
Total U.S. Department of Treasury			<u>129,164</u>	<u>129,164</u>
Total expenditures of federal awards			<u>\$ 2,215,388</u>	<u>\$ 2,860,190</u>

See Notes to Schedule of Expenditures of Federal Awards.

United Way of Greater New Haven, Inc.

**Notes to Schedule of Expenditures of Federal Awards
June 30, 2021**

Note 1 - Basis of presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of United Way of Greater New Haven, Inc. under various programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of United Way of Greater New Haven, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of United Way of Greater New Haven, Inc.

Note 2 - Summary of significant accounting policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented when available.

Note 3 - Indirect cost rate

United Way of Greater New Haven, Inc. has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
United Way of Greater New Haven, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of United Way of Greater New Haven, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 14, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered United Way of Greater New Haven, Inc.'s internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of United Way of Greater New Haven, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of United Way of Greater New Haven, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weakness. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether United Way of Greater New Haven, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CohnReznick LLP

Hartford, Connecticut
December 14, 2021

Independent Auditor's Report on Compliance for Each Major Federal Program and
Report on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Directors
United Way of Greater New Haven, Inc.

Report on Compliance for Each Major Federal Program

We have audited United Way of Greater New Haven, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of United Way of Greater New Haven, Inc.'s major federal programs for the year ended June 30, 2021. United Way of Greater New Haven, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of United Way of Greater New Haven, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about United Way of Greater New Haven, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of United Way of Greater New Haven, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, United Way of Greater New Haven, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of United Way of Greater New Haven, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered United Way of Greater New Haven, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of United Way of Greater New Haven, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of our testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Hartford, Connecticut
December 14, 2021

United Way of Greater New Haven, Inc.

Schedule of Findings and Questioned Costs - Federal Financial Assistance Programs
Year Ended June 30, 2021

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified opinion

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X None reported

Type of auditor's report issued on compliance for major federal programs: Unmodified opinion

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? _____ Yes X No

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.600	U.S. Department of Health and Human Services Head Start

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee _____ Yes X No

United Way of Greater New Haven, Inc.

**Schedule of Expenditures of State Financial Assistance
Year Ended June 30, 2021**

State grantor/ pass-through grantor/ program title	State Grant Program Core CT Number	Passed through to subrecipients	Expenditures
Department of Education Early Head Start - Child Care Partnership	11000-OEC64000-16265	\$ 263,577	\$ 263,577
Department of Housing Coordinated Access	11000-DOH46920-16149-1200906	-	350,652
Department of Children and Families Passed through Clifford W. Beers Guidance Clinic, Inc. Grants for Outpatient Psychiatric Clinics for Children	1100-DCF91100-16024	-	12,883
Total state financial assistance		<u>\$ 263,577</u>	<u>\$ 627,112</u>

See Notes to Schedule of Expenditures of State Financial Assistance.

United Way of Greater New Haven, Inc.

**Notes to Schedule of Expenditures of State Financial Assistance
June 30, 2021**

Note 1 - Basis of presentation and summary of significant accounting policies

The accompanying schedule of expenditures of state financial assistance (the "Schedule") includes the state grant activity of United Way of Greater New Haven, Inc. under programs of the State of Connecticut for the fiscal year ended June 30, 2021. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs. The accounting policies of United Way conform to the accounting principles generally accepted in the United States of America for nonprofit entities. The information in this Schedule is presented based upon regulations established by the State of Connecticut, Office of Policy Management. United Way recognizes grants to the extent that eligible grant costs are incurred.

Note 2 - Basis of accounting

The expenditures reported on the Schedule are reported on the accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity and, accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule. Therefore, amounts presented in this Schedule differ from amounts presented in, or used in the preparation of, the basic financial statements.

Independent Auditor's Report on Compliance for Each Major State Program and
Report on Internal Control over Compliance Required by the State Single Audit Act

To the Board of Directors
United Way of Greater New Haven, Inc.

Report on Compliance for Each Major State Program

We have audited United Way of Greater New Haven, Inc.'s compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of United Way of Greater New Haven, Inc.'s major state programs for the year ended June 30, 2021. United Way of Greater New Haven, Inc.'s major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of United Way of Greater New Haven Inc.'s major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about United Way of Greater New Haven Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of United Way of Greater New Haven Inc.'s compliance.

Opinion on Each Major State Program

In our opinion, United Way of Greater New Haven, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of United Way of Greater New Haven, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered United Way of Greater New Haven, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of United Way of Greater New Haven, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.



Hartford, Connecticut
December 14, 2021

United Way of Greater New Haven, Inc.

**Schedule of Findings and Questioned Costs - State Financial Assistance Programs
Year Ended June 30, 2021**

I. Summary of Auditor's Results

Financial Statements

Type of auditor's opinion issued Unmodified

Internal control over financial reporting
 Material weakness(es) identified? yes X no
 Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

State Financial Assistance

Internal control over major programs
 Material weakness(es) identified? yes X no
 Significant deficiency(ies) identified? yes X none reported

Type of auditor's opinion issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act? yes X no

The following schedule reflects the major programs included in the audit:

<u>State Grantor and Program</u>	<u>Core CT Number</u>	<u>Expenditures</u>
Department of Education Early Head Start - Child Care	11000-OEC64000-16265	\$ 263,577
Department of Housing Coordinated Access	11000-DOH46920-16149-1200906	350,652
Dollar threshold used to distinguish between type A and type B programs		<u>\$ 200,000</u>



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