United Way of Greater New Haven, Inc.

Financial Statements
and Independent Auditor's Report

June 30, 2018

CohnReznick
Accounting • Tax • Advisory

United Way of Greater New Haven, Inc.

Index

Independent Auditor's Report

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, 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 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, 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.

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2019, 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.

CohnReznick LLP

Hartford, Connecticut
March 18, 2019

United Way of Greater New Haven, Inc.

Statement of Financial Position
June 30, 2018

Assets

Assets		
Cash and cash equivalents (including permanently restricted cash of $50,664)	$	886,030
Campaign pledges receivable, net		982,855
Other receivables		83,332
Grants receivable		407,871
Other assets		40,400
Investments		1,102,591
Property and equipment, net		64,301
Total assets	$	3,567,380

Liabilities and Net Assets

Liabilities		
Accounts payable	$	175,881
Line of credit		149,913
Community Impact and grants payable		661,270
Donor directed gifts payable		599,165
Accrued expenses and other liabilities		537,811
Total liabilities		2,124,040
Net assets		
Unrestricted		
Unrestricted - general		615,988
Unrestricted - Board designated for Community Investment		510,000
Property and equipment		64,301
Temporarily restricted		202,387
Permanently restricted		50,664
Total net assets		1,443,340
Total liabilities and net assets	$	3,567,380

See Notes to Financial Statements.

United Way of Greater New Haven, Inc.

Statement of Activities
Year Ended June 30, 2018

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Public support and revenue				
Campaign amounts raised	$ 3,535,609	$ -	$ -	$ 3,535,609
Less				
Uncollectible pledges	(156,236)	-	-	(156,236)
Amounts designated by donors	(1,293,258)	-	-	(1,293,258)
Net assets released from restrictions	438,121	(438,121)	-	-
Campaign revenue, net	2,524,236	(438,121)	-	2,086,115
Other revenue				
Gifts, bequests, grants and other	348,541	115,601	-	464,142
Government grants	2,703,392	-	-	2,703,392
Investment income, net of fees of $8,317	17,185	-	-	17,185
Realized gain on sale of investments	160,705	-	-	160,705
Administrative fees on donor directed gifts	41,895	-	-	41,895
Special events and sponsorships	39,881	-	-	39,881
Miscellaneous income	169,423	-	-	169,423
Total other revenue	3,481,022	115,601	-	3,596,623
Total public support and revenue	6,005,258	(322,520)	-	5,682,738
Functional Expenses				
Community Impact and program services				
Community support and gross funds distributed	3,946,624	-	-	3,946,624
Less amounts designated by donors	(1,293,258)	-	-	(1,293,258)
Community Impact (program support)	2,653,366	-	-	2,653,366
Program services	1,125,623	-	-	1,125,623
Total Community Impact and program services	3,778,989	-	-	3,778,989
Support services				
Fundraising	719,947	-	-	719,947
Management and general	652,702	-	-	652,702
Total support services	1,372,649	-	-	1,372,649
Total Functional Expenses	5,151,638	-	-	5,151,638
Operating income (loss)	853,620	(322,520)	-	531,100
Nonoperating revenue and expenses				
Unrealized loss on investments	(88,285)	-	-	(88,285)
Pension and postretirement benefit change, other than net periodic pension cost	154,416	-	-	154,416
Change in net assets	919,751	(322,520)	-	597,231
Net assets, beginning of year	270,538	524,907	50,664	846,109
Net assets, end of year	$ 1,190,289	$ 202,387	$ 50,664	$ 1,443,340

See Notes to Financial Statements.

United Way of Greater New Haven, Inc.

Statement of Cash Flows
Year Ended June 30, 2018

Cash flows from operating activities	
Change in net assets	$ 597,231
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	11,938
Uncollectible pledges	156,236
Unrealized loss on investments	88,285
Realized gain on sale of investments	(160,705)
Changes in operating assets and liabilities	
Campaign pledges receivable	14,598
Other receivables	(1,471)
Grants receivable	(63,719)
Other assets	1,566
Accounts payable	(11,780)
Community Impact and grants payable	(231,941)
Donor directed gifts payable	44,594
Accrued expenses and other liabilities	(171,458)
Net cash provided by operating activities	273,374
Cash flows from investing activities	
Purchases of investments	(306,721)
Proceeds from sales of long-term investments	506,886
Net cash provided by investing activities	200,165
Cash flows from financing activities	
Net repayments on line of credit	(50,000)
Net cash used in financing activities	(50,000)
Net change in cash and cash equivalents	423,539
Cash and cash equivalents, beginning	462,491
Cash and cash equivalents, end	$ 886,030

See Notes to Financial Statements.

United Way of Greater New Haven, Inc.

Statement of Functional Expenses
Year Ended June 30, 2018

	Community Impact and program services	Support Services: Fundraising	Support Services: Management and general	Support Services: Total support services	Total
Community investments					
Community support and gross funds distributed	$ 3,946,624	$ -	$ -	$ -	$ 3,946,624
Less amounts designated by donors	(1,293,258)	-	-	-	(1,293,258)
Community Impact (program support)	2,653,366	-	-	-	2,653,366
Salaries and related benefits					
Salaries and wages	513,077	434,603	361,856	796,459	1,309,536
Employee benefits	102,640	59,197	47,234	106,431	209,071
Payroll taxes	38,541	37,318	58,649	95,967	134,508
Subtotal - salaries and related benefits	654,258	531,118	467,739	998,857	1,653,115
Other expenses					
Professional fees	139,623	34,958	72,690	107,648	247,271
Supplies, printing and production	44,035	3,691	3,608	7,299	51,334
Telephone	15,366	9,793	5,346	15,139	30,505
Postage and shipping	3,541	8,294	2,599	10,893	14,434
Occupancy	112,513	43,194	35,740	78,934	191,447
Equipment rental and maintenance	21,040	21,406	24,761	46,167	67,207
Printing and publication	31,951	26,907	3,024	29,931	61,882
Marketing and new media	37,188	2,690	3,665	6,355	43,543
Conferences and meetings	17,397	4,456	8,683	13,139	30,536
Travel	3,621	1,955	371	2,326	5,947
Awards	84	350	279	629	713
Membership dues	33,030	23,298	17,333	40,631	73,661
Miscellaneous	7,290	3,784	3,665	7,449	14,739
Depreciation	4,686	4,053	3,199	7,252	11,938
Subtotal - other expenses	471,365	188,829	184,963	373,792	845,157
Total functional expenses	$ 3,778,989	$ 719,947	$ 652,702	$ 1,372,649	$ 5,151,638

See Notes to Financial Statements.

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. We tackle issues that cannot be solved by any one group working alone.

United Way listens and learns to identify gaps, develops community solutions, activates donors and volunteers, and serves our neighbors in need. United Way has been a presence in Greater New Haven for almost 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.

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; it is also influenced by the economic climate affecting major businesses and employee groups, among other factors.

Our Community Change goals:

- All children enter school well-prepared
- Everyone thrives financially
- People have access to healthy, nutritious food
- All students succeed in school and are ready for college and career
- Everyone is physically and mentally healthy
- Everyone has a safe, supportive place to call home
- All parents learn how to nurture healthy relationships with their children

In addition to executing on our Community Change goals, United Way generates, manages, and distributes significant financial resources for the region. United Way raises financial resources year- round through workplace-based and community campaigns, as well as through government and foundation grants. Funds raised support local programs and projects that can demonstrate measurable results for the community. 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.

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 $67,749 for the year ended June 30, 2018.

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.

Note 2 - Summary of significant accounting policies

Basis of presentation

The accompanying financial statements have been prepared on the accrual basis of accounting. The financial statements report information regarding United Way's financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. They are described as follows:

Unrestricted - Net assets that are not subject to explicit donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily restricted - Net assets whose use by United Way is subject to either explicit donor-imposed stipulations or by operation of law that can be fulfilled by actions of United Way or that expire by the passage of time.

Permanently restricted - Net assets subject to explicit donor-imposed stipulations that they be maintained permanently by United Way and stipulate the use of income and/or appreciation as either unrestricted or temporarily restricted based on donor-imposed stipulations or by operation of law.

Contributions are recognized as revenue in the period received and recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. Gains and losses on investments and other assets, if any, are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (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 statement of activities as net assets released from restrictions.

Cash and cash equivalents
United Way considers all short-term, highly liquid investments available for current use with a maturity of three months or less when acquired to be cash equivalents.

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 considered unrestricted unless restricted by donor stipulation or by operation of law. Nonmonetary investments received as gifts are immediately sold and recorded at the realized value.

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 several individual donor-restricted endowment funds established for a variety of 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 permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent 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 classified in permanently restricted net assets is classified as temporarily restricted net assets 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 the 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.

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.

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, 2018. United Way's federal and state information returns prior to fiscal year 2015 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 March 18, 2019, which is the date the financial statements were available to be issued.

Note 3 - 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, 2018 was approximately $578,000.

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.

Note 4 - 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, 2018 are as follows:

Campaign conducted	Campaign allocation year	Balance of pledges receivable	Allowance for uncollectible pledges	Net pledges receivable
Fall 2018	2019	$ -	$ -	$ -
Fall 2017	2018	1,125,070	147,739	977,331
Fall 2016	2017	76,090	70,566	5,524
		$ 1,201,160	$ 218,305	$ 982,855

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 individuals' 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 5 - Donor directed gifts

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

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 $1,293,258 at June 30, 2018 are shown as a reduction in the amount reported as campaign amounts raised and community impact expenses in the statement of activities.

Note 6 - Other assets

Details of other assets at June 30 are as follows:

Charitable remainder unitrust	$	34,813
Prepaid expenses		5,587
	$	40,400

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 7 - Investments

Investments at June 30, 2018 are summarized as follows:

	Cost	Market value	Unrealized gain
Mutual funds	$ 969,480	$ 1,102,591	$ 133,111

Note 8 - 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.

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 2018.

Assets measured at fair value on a recurring basis at June 30, 2018 are as follows:

Description	Fair value	Level 1	Level 2	Level 3
Mutual funds				
Domestic equity	$ 522,018	$ 522,018	$ -	$ -
Fixed income	342,465	342,465	-	-
International	214,640	214,640	-	-
Alternatives	23,468	23,468	-	-
Beneficial interest - charitable remainder unitrust	34,813	-	-	34,813
	$ 1,137,404	$ 1,102,591	$ -	$ 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):

	Beneficial interest - charitable remainder unitrust
July 1, 2017	$ 34,813
Change in value	-
June 30, 2018	$ 34,813

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, 2018.

Note 9 - Property and equipment

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

Equipment	$ 364,982
Furniture and fixtures	137,463
	502,445
Less accumulated depreciation	(438,144)
	$ 64,301

Depreciation expense for the year ended June 30, 2018 was $11,938.

Note 10 - Line of credit

United Way has an $800,000 line of credit available for its use with an interest rate of 3.93% at June 30, 2018. Borrowings were $149,913 at June 30, 2018 and were secured by a portion of United Way's cash equivalents and investments.

Note 11 - Temporarily restricted net assets

Temporarily restricted net assets at June 30 are available for the following purposes:

Time restricted - fall campaigns	$	-
Split - interest agreement		34,813
Time restricted - other programs		167,574
	$	202,387

Note 12 - Permanently restricted net assets

Permanently restricted net assets at June 30 are restricted to investment in perpetuity, the income from which is expendable to support. These amounts are included in cash and cash equivalents on the statement of financial position.

General operations	$	45,064
Mittens, gloves and hats for underprivileged children		5,600
	$	50,664

Changes in endowment net assets for the year ended June 30, 2018 are as follows:

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Endowment net assets, July 1, 2017	$ -	$ -	$ 50,664	$ 50,664
Investment return				
Investment income	-	5	-	5
Total Investment return	-	5	-	5
Appropriation of endowment assets for expenditure	-	(5)	-	(5)
Endowment net assets, June 30, 2018	$ -	$ -	$ 50,664	$ 50,664

Note 13 - Pension plans

Defined benefit plan

United Way maintains a non-contributory defined benefit retirement plan for all eligible employees. United Way froze the plan as of June 1, 2005, resulting in a pension plan curtailment gain that was recognized in accordance with U.S. generally accepted accounting principles. The plan was funded at a level to allow for the purchase of an annuity on behalf of the employee at the date of retirement to provide expected future benefits. The plan has changed to direct payments from the fund rather than the prior practice of purchasing annuities. United Way uses a June 30 measurement date for its pension plan.

The following table summarizes the projected benefit obligation, the fair value of assets and the funded status of the plan at June 30, 2018:

Projected benefit obligation	$	2,614,080
Fair value of plan assets		2,151,970
Under funded status	$	462,110
Liability for pension benefits (included in accrued expenses and other liabilities)	$	462,110

The following table summarizes the amounts of contributions and benefits paid from the plan for the year ended June 30, 2018:

Net periodic pension cost	$	35,420
Employer contribution		45,000
Benefits paid		136,920
Accumulated benefit obligation		2,614,080

The following summarizes the amounts in unrestricted net assets not yet recognized as components of net periodic pension cost for the year ended June 30, 2018:

Transitional obligation	$	-
Prior service cost		-
Unrecognized net loss		496,097
Total recognized in unrestricted net assets	$	496,097

The following summarizes the amounts in unrestricted net assets expected to be recognized in net periodic benefit cost for the year ended June 30, 2019:

Amortization of transitional obligation	$	-
Amortization of prior service cost		-
Amortization of unrecognized net loss		36,442
Total estimated amortization from unrestricted net assets to net periodic pension cost	$	36,442

Weighted-average assumptions	
Discount rate	3.75%
Expected long-term rate of return on plan assets	6.50%
Rate of compensation increase	N/A
Post-retirement interest rate	3.75%

The expected long-term rate of return on plan assets assumption of 6.5% was selected for 2018 in accordance with the Actuarial Standards Board in Actuarial Standards of Practice No. 27 - Selection Economic Assumptions for Measuring Pension Obligations. Based on investment policy for the pension plan in effect as of the beginning of fiscal year, a best estimate range was determined for both the real rate of return (net of inflation and investment expense) and for inflation based on long-term historical return on the applicable asset classes. An average inflation rate within the range equal to 3.0% was selected and added to the real rate of return range to arrive at a best estimate range of 6.49% - 9.11%. A rate of 6.50%, which is within the best estimate range was selected.

United Way's pension plan asset allocations at June 30, 2018 by asset category are as follows:

Equity securities	0.0%
Fixed income securities	0.0%
General account *	100.0%
	100.0%

* The general account assets are invested in securities with varied maturities.

The investment objective for plan assets of United Way of Greater New Haven is to achieve an average annual rate of return over a three-to-five-year period which exceeds the average annual rate of return that would have been achieved in the same period by a composite market index. The plan assets shall be managed with a long-term asset mix guideline of 60% equity alternatives and 40% fixed income alternatives, including the General Account (cash and cash equivalents).

The overall investment philosophy shall be to manage plan assets in a prudent, conservative yet productive manner. Fiduciaries with any discretionary authority to manage plan assets shall seek to increase the value of plan assets, while recognizing the need to preserve asset value in order to enhance the ability of the plan to meet its obligations to plan participants and their beneficiaries when due. Preservation of capital is of prime importance and within the stated investment objectives for the plan's assets. Risks, including excessive volatility in the value of plan assets, are minimized.

Pension plan assets carried at fair value at June 30, 2018 are classified in the table below:

	Level 1	Level 2	Level 3	Total
Guaranteed income fund	$ -	$ -	$ 2,151,970	$ 2,151,970
Total	$ -	$ -	$ 2,151,970	$ 2,151,970

Changes in pension plan assets measured at fair value using Level 3 inputs for the year ended June 30, 2018 are as follows:

	Balance as of July 1, 2017	Interest income	Purchases	Transfers	Miscellaneous	Balance as of June 30, 2018
Guaranteed income fund	$ 265,679	$ 8,779	$ 45,000	$ 1,981,797	$ (149,285)	$ 2,151,970

The following table represents the Plan's Level 3 financial instruments, the valuation techniques used to measure the fair value of those financial instruments and the significant observable inputs and the ranges of values for those inputs:

	2018 Fair value	Purchases	Significant unobservable inputs	Range of significant input values	Weighted average
Guaranteed income	$ 2,151,970	Discounted cash flow	Current yields of similar instruments	1.00%	1.00%

United Way expects to contribute $240,000 to its pension plan in the year ending June 30, 2019.

A reconciliation of items not yet reflected in net periodic benefit cost and a component of unrestricted net assets is as follows for the year ended June 30, 2018:

	July 1, 2017	Reclassified as net periodic pension cost	Amounts arising during period	June 30, 2018
1. Transition obligation (asset)	$ -	$ -	$ -	$ -
2. Net prior service cost (credit)	-	-	-	-
3. Net loss (gain)	650,513	(53,553)	(100,863)	496,097
	$ 650,513	$ (53,553)	$ (100,863)	$ 496,097

Defined contribution plan

United Way established a Section 403(b) retirement plan as of July 1, 2005 covering all eligible employees with one year of service and having attained age 21, whereby the organization contributes into the plan a matching contribution equal to 50% of an employees' salary reduction up to 3% of the employees' annual compensation. Eligible employees may elect to defer a portion of their salary into the plan. The maximum deferral is the annual limit established by statute. Employee salary deferrals are fully vested. Participants become 100% vested in the matching contribution immediately upon their entry date. There is also a provision for additional employer discretionary contributions. Employer discretionary contributions are 100% vested after three years of service. The pension expense for this plan was $35,420 for the year ended June 30, 2018.

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, resulting in a postretirement benefit plan curtailment gain that was recognized in accordance with U.S. generally accepted accounting principles. 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, 2018 is as follows:

Accumulated postretirement benefit obligation (included in accrued expenses and other liabilities)	$	43,971
Postretirement benefit cost (income)		(7,468)
Employer contributions		7,570
Benefits paid		7,570

The following summarizes the amounts in unrestricted net assets not yet recognized as components of net periodic benefit cost for the year ended June 30, 2018:

Transitional obligation	$	-
Prior service cost		-
Unrecognized net gain		(39,298)
Total recognized in unrestricted net assets	$	(39,298)

The following summarizes the amounts in unrestricted net assets expected to be recognized in net periodic benefit cost for the year ended June 30, 2019:

Amortization of transitional obligation	$	-
Amortization of prior service cost		-
Amortization of unrecognized net loss		(8,729)
Total estimated amortizations from unrestricted net assets to net periodic benefit cost	$	(8,729)

The assumptions used in the measurement of United Way's postretirement benefit obligation and postretirement benefit cost at June 30, 2018 are shown in the following table:

	Obligation	Cost
Weighted-average assumptions		
Discount rate	3.66%	2.90%
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, 2018 was 7.0%. The ultimate trend rate expected to be achieved by the year ended June 30, 2023 is 4.5%.

Expected future benefit payments as of June 30, 2018 are as follows:

2019	$	8,000
2020		7,000
2021		6,000
2022		5,000
2023		5,000
2024 - 2028		14,000

Note 15 - Related party transactions

United Way, by its nature, utilizes the resources of the community in which it conducts its business, both in the management of its operations and in the ordinary course of business. As a result, certain members of its board are also individuals that have various degrees of interest in entities which provide goods and services to United Way. There was one entity in 2018 involved in these activities amounting to expenditures by United Way of $167. Goods and services provided for these activities were rendered at, or less than, fair market value.

Note 16 - Leases

United Way entered into various lease agreements for space rental and office equipment. These leases are accounted for as operating leases. Future minimum lease payments as of June 30, 2018 are approximately as follows:

2019	$	160,620
2020		162,124
2021		166,770
2022		171,361
2023		14,315

Rent expense amounted to $159,832 for the year ended June 30, 2018.

Note 17 - Subsequent event

Subsequent to June 30, 2018, the defined benefit plan (described in Note 13) was fully terminated. All assets of the plan were transferred to a third party who will be paying the participants once they are eligible for benefits. United Way contributed approximately $252,000 of cash and cash equivalents to the plan in order to fund the plan termination. Upon the termination, there are no further obligations of the defined benefit plan.

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