

MIDDLESEX UNITED WAY, INC.

FINANCIAL STATEMENTS AND
ADDITIONAL INFORMATION AND
INDEPENDENT AUDITOR'S REPORT

YEARS ENDED JUNE 30, 2022 AND **2021**

MIDDLESEX UNITED WAY, INC.

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INDEPENDENT AUDITOR'S REPORT

YEARS ENDED JUNE 30, 2022 AND 2021

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS:	
Statements of Financial Position	4
Statements of Activities	5
Statements of Functional Expenses	6
Statements of Cash Flows	7
Notes to Financial Statements	8
ADDITIONAL INFORMATION:	
Schedule I - Schedule of Community Partner Grants	26
Schedule II - Schedule of Special Allocations and Other Distributions	27

Independent Auditor's Report

To the Audit Committee and
Board of Directors of
Middlesex United Way, Inc.
Middletown, Connecticut

Opinion

We have audited the accompanying financial statements of Middlesex United Way, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Middlesex United Way, Inc. as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Middlesex United Way, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Middlesex United Way, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Middlesex United Way, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Middlesex United Way, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The additional information on pages 26 and 27 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits 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.

Mahoney Sabol + Company, LLP

Certified Public Accountants
Glastonbury, Connecticut
October 27, 2022

MIDDLESEX UNITED WAY, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 263,755	\$ 125,624
Campaign pledges receivable, net	277,688	288,568
Investments	619,946	1,254,817
Investments held for endowment purposes	190,615	230,170
Beneficial interests in trusts	645,042	793,845
Property and equipment, net	25,064	15,076
Other assets	7,527	17,742
	<u>\$ 2,029,637</u>	<u>\$ 2,725,842</u>
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES:		
Accounts payable and accrued expenses	\$ 136,590	\$ 160,106
Community partners payable	350,005	500,000
Donor designations payable, net	62,523	95,036
Capital lease payable	14,025	825
	<u>563,143</u>	<u>755,967</u>
NET ASSETS:		
Without donor restrictions	596,324	901,302
With donor restrictions	870,170	1,068,573
	<u>1,466,494</u>	<u>1,969,875</u>
	<u>\$ 2,029,637</u>	<u>\$ 2,725,842</u>

See notes to financial statements.

MIDDLESEX UNITED WAY, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2022 AND 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT:						
Current-year campaign contributions:						
Total amounts raised	\$ 768,139	\$ -	\$ 768,139	\$ 880,230	\$ -	\$ 880,230
Less: amounts raised on behalf of others	(72,824)	-	(72,824)	(139,533)	-	(139,533)
Total contributions	695,315	-	695,315	743,197	-	743,197
Contributed services	3,000	-	3,000	2,500	-	2,500
Less: provision for uncollectible pledges	(50,000)	-	(50,000)	(60,000)	-	(60,000)
Prior year campaign contributions	77,475	-	77,475	124,815	-	124,815
Net campaign revenue	725,790	-	725,790	808,012	-	808,012
Other revenue and support:						
Amounts raised by other agencies	38,576	-	38,576	51,224	-	51,224
Service fee revenue	50,323	-	50,323	16,050	-	16,050
Other contributions	15,350	2,151	17,501	16,201	20,994	37,195
Grants	-	-	-	85,069	-	85,069
Net assets released from restriction	26,418	(26,418)	-	48,117	(48,117)	-
Total other revenue and support	130,667	(24,267)	106,400	216,661	(27,123)	189,538
Total revenue and support	856,457	(24,267)	832,190	1,024,673	(27,123)	997,550
DISTRIBUTIONS AND EXPENSES:						
Distributions:						
Community partners	348,342	-	348,342	500,000	-	500,000
Special allocations and other distributions	16,377	-	16,377	56,570	-	56,570
Payments to affiliated organizations	17,819	-	17,819	19,881	-	19,881
Total distributions	382,538	-	382,538	576,451	-	576,451
Expenses:						
Program services	381,868	-	381,868	351,017	-	351,017
Support services:						
Fundraising expenses	113,146	-	113,146	108,494	-	108,494
Management and general expenses	212,148	-	212,148	178,699	-	178,699
Total program and support services	707,162	-	707,162	638,210	-	638,210
Total distributions and expenses	1,089,700	-	1,089,700	1,214,661	-	1,214,661
CHANGE IN NET ASSETS FROM OPERATIONS	(233,243)	(24,267)	(257,510)	(189,988)	(27,123)	(217,111)
INVESTMENT INCOME:						
Net investment income	10,262	-	10,262	11,250	-	11,250
Investment income - beneficial trusts	35,832	-	35,832	28,195	-	28,195
Net increase (decrease) in trust values	-	(148,803)	(148,803)	-	147,009	147,009
Net realized and unrealized gains and (losses) on investments	(117,829)	(25,333)	(143,162)	258,193	56,088	314,281
Total investment income	(71,735)	(174,136)	(245,871)	297,638	203,097	500,735
CHANGE IN NET ASSETS	(304,978)	(198,403)	(503,381)	107,650	175,974	283,624
NET ASSETS:						
Beginning of year	901,302	1,068,573	1,969,875	793,652	892,599	1,686,251
End of year	\$ 596,324	\$ 870,170	\$ 1,466,494	\$ 901,302	\$ 1,068,573	\$ 1,969,875

See notes to financial statements.

MIDDLESEX UNITED WAY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2022 AND 2021

	2022			2021		
	Program Services	Support Services Fundraising	Support Services Management and General	Program Services	Support Services Fundraising	Support Services Management and General
	\$	\$	\$	\$	\$	\$
Salaries and wages	213,043	63,124	118,357	216,642	66,962	110,291
Employee benefits	40,460	11,988	22,477	46,411	14,345	23,628
Payroll taxes	20,215	5,990	11,231	18,922	5,849	9,633
Total salaries and related expenses	273,718	81,102	152,065	281,975	87,156	143,552
Professional fees	50,506	14,965	28,059	18,280	5,650	9,306
Occupancy	21,114	6,256	11,730	21,120	6,528	10,752
Supplies	10,867	3,220	6,037	3,408	1,053	1,734
Marketing and advertising	4,375	1,296	2,431	4,366	1,349	2,223
Rental and maintenance of equipment	3,311	981	1,839	3,854	1,191	1,962
Insurance	3,279	972	1,821	2,239	692	1,140
Telephone	3,001	889	1,667	2,945	910	1,500
Miscellaneous	2,428	720	1,349	4,357	1,347	2,217
Postage and shipping	1,854	549	1,031	1,464	452	745
Conferences, conventions and meetings	1,213	359	674	1,680	519	855
Travel and parking	990	293	551	892	276	454
Printing and publications	849	252	471	519	160	265
Total expenses before depreciation and amortization	377,505	111,854	209,725	347,099	107,283	176,705
Depreciation and amortization	4,363	1,292	2,423	3,918	1,211	1,994
TOTAL EXPENSES	\$ 381,868	\$ 113,146	\$ 212,148	\$ 351,017	\$ 108,494	\$ 178,699
						\$ 638,210

See notes to financial statements.

MIDDLESEX UNITED WAY, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (503,381)	\$ 283,624
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Allowance for uncollectible pledges	(20,000)	(10,000)
Depreciation and amortization	8,078	7,123
Net realized and unrealized (gains) / losses on investments	143,162	(314,281)
Net (increase) decrease in trust values	148,803	(147,009)
Cash received (disbursed) from agency transactions	(7,465)	(66,677)
(Increase) decrease in operating assets:		
Campaign pledges receivable	30,880	83,786
Other assets	10,215	(570)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(16,051)	14,140
Deferred revenue and refundable advances	-	(4,625)
Community partners payable	(149,995)	-
Donor designations payable	(32,513)	(4,965)
NET CASH USED IN OPERATING ACTIVITIES	<u>(388,267)</u>	<u>(159,454)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(109,654)	(15,775)
Proceeds from sale of investments	640,918	64,374
Purchase of property and equipment	(1,566)	(4,813)
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>529,698</u>	<u>43,786</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on capital lease payable	(3,300)	(3,300)
NET CASH USED IN FINANCING ACTIVITIES	<u>(3,300)</u>	<u>(3,300)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	138,131	(118,968)
CASH AND CASH EQUIVALENTS:		
Beginning of year	<u>125,624</u>	<u>244,592</u>
End of year	<u>\$ 263,755</u>	<u>\$ 125,624</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES:		
Equipment acquired through capital lease	<u>\$ 16,500</u>	<u>\$ -</u>

See notes to financial statements.

MIDDLESEX UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 1 – NATURE OF ORGANIZATION:

Middlesex United Way, Inc. (the Organization) is an incorporated nonprofit organization. The Organization provides funding, collaborative effort, technical assistance and volunteer support to health and human service programs and agencies addressing community needs throughout Middlesex County, Connecticut.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Method of Accounting:

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP). Under the accrual basis of accounting, revenues are recorded as earned and expenses are recorded at the time liabilities are incurred.

Going Concern:

As indicated in the accompanying financial statements, the Organization showed a decrease in net assets of \$503,381 and negative cash flows from operations of \$388,267 during the year ended June 30, 2022. Those factors, as well as the uncertain conditions that the Organization faces regarding future giving trends, create uncertainty about the Organization's ability to continue as a going concern within one year after the date that the financial statements were available to be issued.

The board of directors of the Organization has evaluated these conditions and determined that a reduction of distributions and expenses would alleviate this uncertainty. As a result, the Organization has approved a plan to a) reduce the 2023 distributions by \$150,000, b) limit transfers from investment accounts to the annual spending policy and c) limit distributions per year to avoid negative cash flow from operations. As a result of this plan, management and the board of directors believe the doubts of the Organization's ability to continue as a going concern have been alleviated.

Net Assets:

The Organization reports information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions - Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes. From time to time, the Board may designate a portion of these net assets for specific purposes, which makes them unavailable for use at management's discretion. At June 30, 2022 and 2021, there were no board designated net assets.

MIDDLESEX UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Net Assets (continued):

Net Assets With Donor Restrictions - Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. The Organization reports gifts of cash or other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statements of activities as net assets released from restriction. Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor imposed stipulations or a Board approved spending policy (see Note 14).

Revenue Recognition:

In 2021, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), and additional ASUs issued to clarify the guidance in 2014-09 (collectively, the new revenue standard). The Organization adopted the new revenue standard utilizing the modified retrospective transition method. The adoption of the new revenue standard did not have a material impact on previously reported amounts or amounts recognized for the year ended June 30, 2021.

The Organization derives and recognizes revenue as follows:

Campaign, Other Contribution Revenue and Amounts Raised by Other Agencies – The Organization recognizes contributions received and made, including unconditional promises to give, as revenue in the period made or received. Contributions received are reported as either revenues without donor restrictions or revenue with donor restrictions. Contributions with donor restrictions that are used for the purpose specified by the donor in the same year as the contribution is received are recognized as revenues without donor restrictions. Promises to contribute that stipulate conditions to be met before the contribution is made are not recorded until the conditions are met. There was no conditional campaign and contribution revenue for the years ended June 30, 2022 and 2021. Campaign, other contribution revenue and amounts raised by other agencies are not within the scope of the new revenue recognition standard.

MIDDLESEX UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Revenue Recognition (continued):

Government Grants – Certain Government grants received by a not-for-profit organization are generally considered contributions rather than exchange transactions since there was not commensurate value transferred between the resource provider and the Organization. Promises to give that are subject to donor-imposed conditions are recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional. Unconditional contributions are recognized when promised or received, as applicable, and are considered to be available for unrestricted use unless specifically restricted by the donor (see Note 11). Government grants are not within the scope of the new revenue recognition standard.

Service Fee Revenue – The Organization receives service fee revenue for its administrative functions related to designations and agency transactions. Such fees are recorded over time as the related administrative services are provided.

Contributed Services – The Organization records donated professional services, which meet criteria established by US GAAP, at the fair market value of the services received. A substantial number of volunteers have donated significant amounts of time to the Organization's program services and to its fundraising campaigns. No amounts have been recognized in the statements of activities since time contributed by Organization volunteers does not fall into the criteria established by US GAAP.

Use of Estimates:

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents:

The Organization considers all unrestricted highly liquid investments with an original maturity of three months or less to be cash equivalents.

Campaign Pledges Receivable:

Campaign pledges receivable represent unconditional promises to give. A contribution in the form of an unconditional promise to give is recognized as revenue by the Organization in the period in which the promise is received. Material campaign pledges receivable that are expected to be collected in future years, if any, are recorded at the present value of estimated future cash flows. When necessary, an allowance for campaign pledges receivable is recorded based on management's evaluation of potential uncollectible unconditional promises at year-end (see Note 4).

MIDDLESEX UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Investments:

Investments are reported at fair value in the statements of financial position. Investment income or expense, including gains and losses (both realized and unrealized) on investments, interest and dividends are included in the statements of activities as increases or decreases in net assets without donor restrictions unless donor or other relevant law directs otherwise. Any losses that are donor restricted for an endowment fund should first reduce net assets with restrictions, any remaining losses should reduce net assets without donor restrictions. Subsequent gains should be recorded as increases in net assets without donor restrictions until the total amount of gains offsets the amount of the losses previously recorded as decreases in net assets without donor restrictions.

Donated investments are reflected as contributions at their market values at date of receipt.

Endowment:

The Organization's donor restricted endowment consists of two funds which were established for the purpose of providing general operational support for the Organization. As required by US GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions (see Note 7).

Interpretation of relevant law – The Board has determined that the Uniform Prudent Management of Institutional Funds Act (UPMIFA) applies to the Organization's endowment fund. UPMIFA provides guidance and authority to charitable organizations concerning the management and investment of funds held by those organizations, and UPMIFA imposes additional duties on those who manage and invest charitable funds.

These duties provide additional protections for charities and also protect the interests of donors who want to see their contributions used wisely.

The Organization classifies as net assets with donor restrictions (a time restriction in perpetuity) the original value of the gifts donated to the donor restricted endowment and the original value of subsequent gifts to the donor restricted endowment.

Investment income from the donor restricted endowment is classified as net assets with donor restrictions (a purpose restriction) until those amounts are appropriated for expenditure by the Organization in a manner consistent with the donor stipulated purpose within the standard of prudence prescribed by UPMIFA.

Investment policy statement – The fundamental investment objectives for investments are to ensure safety and preservation of principal, meet liquidity needs, apply diversification and risk limits appropriate to the investment pools and achieve optimal net investment returns subject to the risk tolerance, investment pool objectives and policy constraints. The asset pools in which the endowment funds are invested require current income which is the minimum needed for expenses and prudent liquidity, growth of income for planning and execution of distributions, and capital growth for long term growth and sustainability.

MIDDLESEX UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Endowment (continued):

Spending policy statement – In making expenditures from endowment funds, the Board of Directors complies first with any restrictions or requirements in the gift instrument as to purpose and amount. Except as otherwise provided by the gift instrument, in making expenditures from endowment funds, the Board takes into account all relevant considerations, including, but not limited to, the long and short-term needs of the Organization in carrying out its purposes, its present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions. The Board conducts an annual analysis of the historic dollar value of the endowment funds and has approved a spending policy whereby a portion of interest and dividends on donor-restricted endowment funds are appropriated for expenditure annually.

Underwater endowment funds – The Organization considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument.

The Organization complies with UPMIFA and has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. The Organization has no underwater endowment funds at June 30, 2022 and 2021.

Fair Value of Financial Instruments:

The Organization has a number of financial instruments and none are held for trading purposes. The Organization estimates that the fair value of all financial instruments as of June 30, 2022 and 2021 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statements of financial position. The Organization, using available market information and appropriate valuation methodologies, has determined the estimated fair value amounts (see Note 17). Considerable judgment is required in interpreting market data to develop the estimates of fair value and, accordingly, the estimates are not necessarily indicative of the amounts that the Organization could realize in a current market exchange.

Property and Equipment:

Expenditures for office equipment and furniture and the fair value of donated assets are capitalized on the statements of financial position. Depreciation is computed over the estimated useful lives of the assets which are between five and seven years using the straight-line method. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized; expenditures for maintenance and repairs are charged to expense as incurred. When assets are sold or otherwise disposed of, the asset and related accumulated depreciation are removed from the accounts and any remaining gain or loss is included in operations.

MIDDLESEX UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Income Tax:

The Organization is a Connecticut not-for-profit corporation exempt from federal income tax under Section 501(c)(3) of the United States of America Internal Revenue Code. Accordingly, no provision for income taxes has been provided in the accompanying financial statements. The Organization files an informational return in the US Federal jurisdiction. The Organization is no longer subject to US Federal income tax examinations by tax authorities for years before 2019.

Functional Allocation of Expenses:

The financial statements present expenses by function and natural classification. Expenses directly attributable to a specific function of the Organization are reported as expenses of those function areas. A portion of general and administrative costs that benefit multiple functional areas (indirect costs) have been allocated across programs and other support services based on the proportion of full-time employee equivalents of a program or other supporting service versus the total organizational full-time employee equivalents.

Marketing and Advertising:

Marketing and advertising costs are expensed as incurred. Such costs totaled \$8,102 and \$7,938 for the years ended June 30, 2022 and 2021, respectively.

Intermediate Measure of Operations:

The Organization has presented the statements of activities based on an intermediate measure of operations. The change in net assets from operations in the statements of activities includes all revenues and expenses that are an integral part of the Organization's programs and supporting activities and net assets released from restriction to support operating expenditures. The measure of operations excludes investment income.

Agency Transactions:

Funds received and disbursed by the Organization which are considered agency transactions are recorded as increases and decreases to the appropriate asset and liability accounts rather than increases and decreases in the Organization's net assets (see Note 12).

Donor Designated Pledges:

The expenses associated with processing donor designated pledges are recovered by an assessment for both fundraising and management and general fees based on actual historical costs in accordance with the United Way of America Membership Standards as outlined in their publication titled *United Way of America Cost Deduction Requirements for Membership Standard M*.

MIDDLESEX UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Leases:

Leases which meet certain criteria are classified as capital leases, and assets and liabilities are recorded at amounts equal to the lesser of the present value of the minimum lease payments or the fair value of the leased properties at the beginning of the respective lease terms. Leases that do not meet such criteria are classified as operating leases and related rentals are charged to expense as incurred (see Note 16).

Adoption of New Accounting Pronouncements:

During 2020, FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This standard improves transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. ASU 2020-07 is applied retrospectively and is effective for years beginning after June 15, 2021. The Organization adopted ASU 2020-07 effective July 1, 2021. There was no material impact to the financial statements as a result of this adoption.

Reclassifications:

Certain amounts as of June 30, 2021 have been reclassified to conform to the June 30, 2022 presentation. The reclassifications have no material effect on the financial statements.

Subsequent Events:

Management has evaluated subsequent events through October 27, 2022, the date which the financial statements were available for issue.

NOTE 3 – REVENUE FROM CONTRACTS WITH CUSTOMERS:

Disaggregation of Revenue from Contracts with Customers:

The following table disaggregates the Organization's revenue and support for the years ended June 30:

	<u>2022</u>	<u>2021</u>
Revenue from contracts with customers:		
Satisfied over time:		
Service fee revenue	\$ 50,323	\$ 16,050
Other revenue and support:		
Net campaign revenue	725,790	808,012
Amounts raised by other agencies	38,576	51,224
Other contributions	17,501	37,195
Grants	—	85,069
	<u>\$ 832,190</u>	<u>\$ 997,550</u>

MIDDLESEX UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 4 – CAMPAIGN PLEDGES RECEIVABLE:

Campaign pledges receivable consist of the following at June 30:

	<u>2022</u>	<u>2021</u>
Campaign 2022	\$ 315,997	\$ –
Campaign 2021	51,691	346,745
Campaign 2020	<u>–</u>	<u>51,823</u>
Total receivable	367,688	398,568
Allowance for uncollectible pledges:		
Campaign 2022	\$ 50,000	\$ –
Campaign 2021	40,000	60,000
Campaign 2020	<u>–</u>	<u>50,000</u>
Total allowance	<u>90,000</u>	<u>110,000</u>
Net campaign pledges receivable	<u>\$ 277,688</u>	<u>\$ 288,568</u>

It is the Organization's policy to establish an allowance for uncollectible pledges based on a percentage of annual campaign support. This percentage is reviewed annually and adjusted when necessary based on actual collections and present economic conditions. For the 2022 and 2021 campaign, an allowance of approximately 7% was used. The pledges receivable at June 30, 2022 and 2021 are all due within one year.

NOTE 5 – CONCENTRATIONS OF CREDIT RISK:

Concentration of Credit Risk Due to Geographical Location:

The Organization receives substantially all of its pledges from businesses and individuals located in Middlesex County, Connecticut. Collection of these pledges is therefore affected by local economic conditions.

Concentration of Credit and Market Risk:

Financial instruments that potentially expose the Organization to concentrations of credit and market risk consist primarily of cash equivalents and investments. Cash equivalents are maintained at high-quality financial institutions and credit exposure is not limited to any one institution. The Organization has not experienced any losses on its cash equivalents. The Organization maintains its cash balances at several financial institutions in Connecticut. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At various times during the years ended June 30, 2022 and 2021, cash may have exceeded the coverage limit. At June 30, 2022 and 2021, there were no uninsured cash balances.

MIDDLESEX UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 5 – CONCENTRATIONS OF CREDIT RISK (Continued):

Concentration of Credit and Market Risk (continued):

The Organization, using available market information and appropriate valuation methodologies, has determined the estimated fair market values (see Note 17). Considerable judgment is required in interpreting market data to develop the estimates of fair value and, accordingly, the estimates are not necessarily indicative of the amounts that the Organization could realize in a current market exchange.

Concentration of Credit Risk Due to Major Donors:

For the 2022 campaign, approximately 20% and 12% of the Organization's support was provided by contributions from two local corporations through its employee campaign and corporate gifts. As of June 30, 2022, approximately 23%, 18% and 16% of the Organization's campaign pledges receivable were due to the Organization from three local corporations.

For the 2021 campaign, approximately 17% and 11% of the Organization's support was provided by contributions from two local corporations through its employee campaign and corporate gifts.

NOTE 6 – INVESTMENTS:

Investments, at fair value, consist of the following at June 30:

	<u>2022</u>	<u>2021</u>
Marketable securities	\$ 619,946	\$ 1,254,817
Endowed marketable securities	<u>190,615</u>	<u>230,170</u>
	<u>\$ 810,561</u>	<u>\$ 1,484,987</u>

Investment income is comprised of the following for the years ended June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Dividend income	\$ 14,467	\$ 15,775
Investment advisory fees	(4,205)	(4,525)
Net realized and unrealized gain (loss) on investments	<u>(143,162)</u>	<u>314,281</u>
Total investment return (loss)	<u>\$ (132,900)</u>	<u>\$ 325,531</u>

MIDDLESEX UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 7 – ENDOWMENT FUNDS:

The Organization's donor restricted endowment consists of two funds, which were established for the purpose of providing general operational support for the Organization. As required by US GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. All of the Organization's endowment funds are with donor restrictions.

The following summarizes changes in endowment net assets for the year ended June 30:

Endowment net assets, July 1, 2020	\$ 182,479
Investment earnings	56,088
Appropriation	<u>(8,397)</u>
Endowment net assets, June 30, 2021	230,170
Investment losses	(25,333)
Appropriation	<u>(14,222)</u>
Endowment net assets, June 30, 2022	<u>\$ 190,615</u>

NOTE 8 – BENEFICIAL INTEREST IN TRUSTS:

The Organization has been the recipient of several perpetual trusts held by various financial institutions. The trust agreements indicate that the Organization has the irrevocable right to receive the income earned on the trust assets in perpetuity.

The Organization will never receive the assets of the trust so the trusts are therefore recorded as net assets with donor restrictions. The trusts are recorded at fair market value as determined by the Trustees, which totaled \$645,042 and \$793,845 as of June 30, 2022 and 2021, respectively. For the years ended June 30, 2022 and 2021, current distributions from the trusts of 35,832 and \$28,195 respectively, are included in net assets without donor restrictions as investment income. The change in the fair market value in excess of distributions of \$(148,803) and \$147,009, respectively, is recorded in net assets with donor restrictions as net increase (decrease) in trust values.

NOTE 9 – PROPERTY AND EQUIPMENT:

Property and equipment consist of the following at June 30:

	<u>2022</u>	<u>2021</u>
Property and equipment	\$ 66,988	\$ 65,671
Software	11,656	11,656
Accumulated depreciation and amortization	<u>(53,580)</u>	<u>(62,251)</u>
	<u>\$ 25,064</u>	<u>\$ 15,076</u>

MIDDLESEX UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 10 – LINE OF CREDIT:

The Organization has a revolving line of credit from a financial institution which carries a limit of \$200,000 with a variable interest rate at the prime rate (4.75% and 3.25% at June 30, 2022 and 2021, respectively). Interest on the line of credit is payable monthly. At June 30, 2022 and 2021, there was no outstanding balance on the line of credit.

NOTE 11 – PAYCHECK PROTECTION PROGRAM:

In early March 2020, there was a global outbreak of COVID-19 that resulted in an economic downturn, changes in global supply and demand, and the temporary closure of non-essential businesses in many states. In response to the pandemic, the government enacted the Coronavirus Aid, Relief and Economic Security (CARES) Act on March 7, 2020. Included within the CARES Act under Division A, Title I is the Paycheck Protection Program (the PPP), which was designed to provide certain small business with financial support for their continued operations during the pandemic. PPP loans contain certain repayment terms, interest rates and no prepayment penalties and also include full or partial forgiveness provisions if the loan proceeds are used for qualifying expenditures as described in the CARES Act.

Funds from the loan may only be used for payroll costs, group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred for the 24 weeks following the date of funding.

In April 2020, the Organization was granted an initial PPP loan of \$91,297 from Liberty Bank. Pursuant to government grant accounting (see Note 2), the Organization used \$1,105 of the loan amount for qualifying expenditures during the year ended June 30, 2021 and has recorded that amount in grant revenue in these financial statements. The remaining amount of \$90,192 had been recognized during the year ended June 30, 2020. The Organization received full forgiveness on this loan in January 2021.

In February 2021, the Organization was granted a second PPP loan of \$83,964 from Liberty Bank. Pursuant to government grant accounting (see Note 2), the Organization used \$83,964 of the loan amount for qualifying expenditures during the year ended June 30, 2021 and has recorded that amount in grant income in these financial statements. The Organization received full forgiveness on this loan in September 2021.

MIDDLESEX UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 12 – AGENCY FUNDS:

Funds received and disbursed by the Organization which are considered agency transactions are recorded as increases and decreases to the appropriate asset and liability accounts rather than increases and decreases in the Organization's net assets. Balances of agency funds are included in accounts payable and accrued expenses and are as follows at June 30:

	<u>2022</u>	<u>2021</u>
Middlesex Racial Justice Coalition	\$ 59,893	\$ 42,584
Coalition for Children	47,815	59,291
Community Thanksgiving Project	6,682	7,108
Middletown Early Childhood Program	4,385	3,958
Coalition on Housing	2,989	8,422
Miscellaneous Other Programs	1,407	524
Healing Racism	-	7,743
Volunteer Income Tax Assistance Program	-	1,006
	<u>\$ 123,171</u>	<u>\$ 130,636</u>

NOTE 13 – DONOR DESIGNATIONS PAYABLE:

Donor designations represent cash contributions the Organization received that were passed through to the appropriate agency as specified by the donor. The total donor designated pledges received during the current year campaign will be paid in the following fiscal year as the funds are received. For the years ending June 30, 2022 and 2021, donor designations payable on the statements of financial position are stated net of the related service fees of \$10,630 and \$16,050, respectively.

NOTE 14 – NET ASSETS WITH DONOR RESTRICTIONS:

The Organization internally accounts for all net assets in accordance with the donors original intent as provided for in the gift instrument, as follows:

Donor-Imposed Purpose or Time – Represents funds for which the spending is designated for specified purpose or period.

Perpetual – Represents funds which have donor-imposed restrictions that require the principal to be maintained in perpetuity but permits the Organization to expense the income earned thereon in accordance with its spending policy.

MIDDLESEX UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 14 – NET ASSETS WITH DONOR RESTRICTIONS (Continued):

Net assets with donor restrictions are as follows at June 30:

	<u>2022</u>	<u>2021</u>
Donor-Imposed Purpose or Time:		
Women's initiative program	\$ 5,945	\$ 14,697
Homelessness prevention	24,861	25,924
Young leaders group	<u>3,707</u>	<u>3,937</u>
Total designated	34,513	44,558
Perpetual:		
Endowment funds (including earnings thereon)	190,615	230,170
Beneficial interest in trust	<u>645,042</u>	<u>793,845</u>
Total perpetual	835,657	1,024,015
Total net assets with donor restrictions	<u>\$ 870,170</u>	<u>\$ 1,068,573</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors. The net assets released from restriction are as follows:

Endowment earnings appropriated for expenditure	\$ 14,222	\$ 8,397
Women's initiative program	9,518	7,911
Homelessness prevention	2,160	1,997
Young leaders group	518	471
Melville housing program	-	20,000
ALICE/COVID-19	<u>-</u>	<u>9,341</u>
Total net assets released from restriction	<u>\$ 26,418</u>	<u>\$ 48,117</u>

NOTE 15 – PENSION PLAN:

The Organization has a defined contribution pension plan in place covering substantially all employees. The Organization's contribution is based on 7% of each eligible participant's monthly compensation as defined by the Plan. Employees are fully and immediately vested in all contributions from their date of participation in the Plan. Pension expense amounted to \$31,571 and \$33,256 the years ending June 30, 2022 and 2021, respectively, and is included in employee benefits on the statements of functional expenses.

MIDDLESEX UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 16 – LEASES:

Effective October 1, 2021, the Organization has a non-interest bearing lease for computer equipment. The lease calls for a monthly payment of \$275 through September 30, 2026. The Organization previously had a non-interest bearing lease for equipment, which called for payments of \$275 through September 30, 2021. These obligations are treated as a capital lease and have been recorded in the accompanying financial statements at the value of future minimum payments. The capitalized cost of \$16,500 less accumulated depreciation of \$2,475 and \$15,675 is included in property and equipment at June 30, 2022 and 2021, respectively. Depreciation expense relating to this equipment totaled \$3,300 for both the years ended June 30, 2022 and 2021. Total payments made for both the years ended June 30, 2022 and 2021 related to this lease totaled \$3,300. The balance on the capital lease totaled \$14,025 at June 30, 2022 and \$825 at June 30, 2021.

The Organization leases office space under a lease agreement most recently amended on April 1, 2019 and expiring on November 30, 2023. The base rent is \$3,100 per month through November 30, 2020, \$3,200 per month through November 30, 2021 and \$3,300 per month through November 30, 2023. Rental expense the years ended June 30, 2022 and 2021 totaled \$39,100 and \$38,400, respectively.

The Organization leases office equipment under operating leases that expired at various times through 2021 and are currently month-to-month. For the years ended June 30, 2022 and 2021, expense under these leases amounted to \$6,131 and \$7,007, respectively.

Future minimum lease payments for each of the years succeeding June 30, 2022 under non-cancelable leases are as follows:

<u>Year</u>	<u>Capital Lease</u>	<u>Operating Lease</u>	<u>Total</u>
2023	\$ 3,300	\$ 39,600	\$ 42,900
2024	3,300	16,500	19,800
2025	3,300	-	3,300
2026	3,300	-	3,300
2027	<u>825</u>	<u>-</u>	<u>825</u>
Total	<u>\$ 14,025</u>	<u>\$ 56,100</u>	<u>\$ 70,125</u>

NOTE 17 – FAIR VALUE MEASUREMENTS:

The Organization follows FASB ASC 820, *Fair Value Measurements and Disclosures*, which established a framework for identifying and measuring fair value. FASB ASC 820 provides a fair value hierarchy, giving the highest priority to quoted prices in active markets, and is also applied to fair value measurements of derivative contracts that are subject to mark to market accounting and other assets and liabilities reported at fair value.

MIDDLESEX UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 17 – FAIR VALUE MEASUREMENTS (Continued):

FASB ASC 820 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB ASC 820 emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and established a fair value hierarchy that distinguishes between assumptions based on market data obtained from independent sources and those based on the entity's own assumptions. The hierarchy prioritizes the inputs to fair value measurements into three levels.

Level 1 – measurements utilize unadjusted quoted prices in active markets for identical assets or liabilities that the entity has the ability to access. These consist primarily of listed equity securities; exchange traded fixed income securities, derivatives and certain U.S. government treasury securities.

Level 2 – measurements include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and other observable inputs such as interest rates and yield curves that are observable at commonly quoted intervals. These consist primarily of non-exchange traded derivatives such as swaps, forward contracts of options and most fixed income securities.

Level 3 – measurements use unobservable inputs for assets or liabilities, are based on the best information available and might include the entity's own data.

In some valuations, the inputs used may fall into different levels of hierarchy. In these cases, the financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. These consist mainly of assets and liabilities valued through an internal modeling process.

The following section describes the valuation methodologies used by the Organization to measure different financial instruments at fair value, including an indication of the level in the fair value hierarchy in which each instrument is generally classified. Where appropriate, the description includes the details of the valuation models, the key inputs to those models, and any significant assumptions.

Available-for-Sale Securities – the Organization uses pricing computed by the custodian based on the quoted market prices of the securities underlying accounts to determine fair value for these classes of securities. Since these financial assets consist of exchange traded fixed income and equity securities, they are classified in Level 1 of the financial hierarchy.

Endowment – the Organization's Endowment investments consist of a variety of stock and fixed income mutual funds. The fair value of the assets are determined from information provided by the Community Foundation of Middlesex County (CFMC) based on the Organization's undivided interests in the portfolio. A substantial portion of the underlying assets at CFMC are measured at fair value using Level 1 and Level 2 inputs; therefore, such assets are categorized as Level 2, the lowest level that is significant to the fair value measurement.

MIDDLESEX UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 17 – FAIR VALUE MEASUREMENTS (Continued):

Beneficial interest in trusts – the Organization’s beneficial interest in trusts is valued based upon their undivided interests in these portfolios held by the respective trust. A substantial portion of the underlying assets are measured at fair value using Level 1 and Level 2 inputs. The undivided interests in these portfolios are not themselves publicly traded nor can they be valued based on observable direct or indirect inputs; therefore, they are reported as Level 3.

The following tables present information about the Organization’s respective assets measured at fair value on a recurring basis at June 30, 2022 and 2021, including the fair value measurements and the level of inputs used in determining those fair values:

June 30, 2022:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Beneficial interest in trusts	\$ –	\$ –	\$ 645,042	\$ 645,042
Available-for-Sale Securities:				
Fixed income	253,847	–	–	253,847
Equity large cap	150,590	–	–	150,590
Equity international	92,466	–	–	92,466
Equity mid-cap	63,574	–	–	63,574
Equity small cap	51,047	–	–	51,047
Fixed income international	8,422	–	–	8,422
Endowment - CFMC	–	190,615	–	190,615
	<u>\$ 619,946</u>	<u>\$ 190,615</u>	<u>\$ 645,042</u>	<u>\$ 1,455,603</u>

June 30, 2021:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Beneficial interest in trusts	\$ –	\$ –	\$ 793,845	\$ 793,845
Available-for-Sale Securities:				
Fixed income	418,447	–	–	418,447
Equity international	187,884	–	–	187,884
Equity large cap	319,392	–	–	319,392
Equity mid-cap	166,425	–	–	166,425
Equity small cap	127,970	–	–	127,970
Fixed income international	34,699	–	–	34,699
Endowment - CFMC	–	230,170	–	230,170
	<u>\$ 1,254,817</u>	<u>\$ 230,170</u>	<u>\$ 793,845</u>	<u>\$ 2,278,832</u>

MIDDLESEX UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 17 – FAIR VALUE MEASUREMENTS (Continued):

Transfers between Levels 1 and 2 generally relate to whether a market becomes active or inactive. Transfers between Levels 2 and 3 generally relate to whether, for various reasons, significant inputs become observable or unobservable. During the years ended June 30, 2022 and 2021, there were no significant transfers into and out of each level of the fair value hierarchy for assets measured at fair value.

The following table presents additional information about Level 3 assets measured at fair value. Both observable and unobservable inputs may be used to determine the fair value positions that the Organization has classified within the Level 3 category. As a result, unrealized gains and losses for assets within the Level 3 category may include changes in fair value that were attributable to both observable and unobservable inputs.

Changes in Level 3 assets measured at fair value were as follows for the years ended June 30, 2022 and 2021:

Balance July 1, 2020	\$ 646,836
Net increase in trust values	147,009
Transfers	<u>-</u>
Balance June 30, 2021	793,845
Net decrease in trust values	(148,803)
Transfers	<u>-</u>
Balance June 30, 2022	<u>\$ 645,042</u>

NOTE 18 – CONTRIBUTED NONFINANCIAL ASSETS:

The Organization received contributed professional services totaling \$3,000 and \$2,500 for the years ended June 30, 2022 and 2021, respectively. The Organization was provided a discount on certain professional services which are valued and reported at the estimated fair value in the financial statements based on current rates for similar services. All contributed services received by the Organization during the years ended June 30, 2022 and 2021 were considered without donor restrictions and able to be used by the Organization as determined by the board of directors and management. Such expenses have been allocated across programs and other support services in accordance with the Organization's functional allocation of expenses policy (see Note 2).

NOTE 19 – FINANCIAL ASSETS AND LIQUIDITY RESOURCES:

Financial assets are considered unavailable when illiquid or not convertible to cash within one year, state required annuity reserves, trust assets, assets held for others, perpetual endowments and accumulated earnings net of appreciations within one year, or because the governing board has set aside the funds for a specific contingency reserve or a long-term investment as board designated endowments. These board designations could be drawn upon if the board approves that action.

MIDDLESEX UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 19 – FINANCIAL ASSETS AND LIQUIDITY RESOURCES (Continued):

The following table reflects the Organization's financial assets as of June 30, 2022 and 2021, reduced by amounts not available for general expenditure within one year:

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash and cash equivalents	\$ 263,755	\$ 125,624
Campaign pledges receivable, net	277,688	288,568
Investments	619,946	1,254,817
Investments held for endowment purposes	190,615	230,170
Beneficial interest in trusts	<u>645,042</u>	<u>793,845</u>
Financial assets, at year end	1,997,046	2,693,024
Less those unavailable for general expenditure within one year, due to:		
Agency funds	(123,171)	(130,636)
Donor designations payable, net	(62,523)	(95,036)
Net assets with donor restrictions	<u>(870,170)</u>	<u>(1,068,573)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 941,182</u>	<u>\$ 1,398,779</u>

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Organization has a committed line of credit of \$200,000, which it could draw upon.

NOTE 20 – RISKS AND UNCERTAINTIES:

The Organization invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect account balances and the amounts reported in the statements of financial position.

In early March 2020, there was a global outbreak of COVID-19 that resulted in an economic downturn, changes in global supply and demand, and the temporary closure of non-essential businesses in many states. In connection with the outbreak, the Organization continues to monitor its potential impact, which may materially impact the Organization's finances and operations. Due to the uncertainties surrounding COVID-19, the full impact of the outbreak and the scope of any cumulative adverse impact on the Organization's finances and operations cannot be fully determined at this time and largely depends on the ongoing severity, duration and spread of COVID-19.

ADDITIONAL INFORMATION

MIDDLESEX UNITED WAY, INC.

SCHEDULE I - SCHEDULE OF COMMUNITY PARTNER GRANTS

YEARS ENDED JUNE 30, 2022 AND 2021

	Approved <u>2022</u>	Approved <u>2021</u>	Paid <u>2021</u>
Health	\$ 179,034	\$ 279,988	\$ 281,588
Education	35,022	61,850	56,800
Housing	75,949	89,291	89,291
Income	30,000	57,100	54,200
Racial equity and inclusion	19,000	11,257	11,257
211/ infoline	11,000	11,771	10,044
	<u>\$ 350,005</u>	<u>\$ 511,257</u>	<u>\$ 503,180</u>

MIDDLESEX UNITED WAY, INC.

SCHEDULE II - SCHEDULE OF SPECIAL ALLOCATIONS AND OTHER DISTRIBUTIONS

YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Women's initiative grant	\$ 9,518	\$ 7,911
Additional allocations	4,180	46,191
Middlesex County homeless prevention	2,160	1,997
Young leaders group	519	471
	<u>\$ 16,377</u>	<u>\$ 56,570</u>