UNITED WAY of GREATER NEW HAVEN, INC.
Financial Statements
June 30, 2015 and 2014

UNITED WAY of GREATER NEW HAVEN, INC.
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INDEPENDENT AUDITORS' REPORT

Board of Directors
United Way of Greater New Haven, Inc.
New Haven, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of United Way of Greater New Haven, Inc. which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities, functional expenses and cash flows for the years 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 U.S. generally accepted accounting principles; 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audits 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 auditors' judgment, including the assessment of the risk 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, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Seward and Monde

North Haven, Connecticut
October 8, 2015

UNITED WAY of GREATER NEW HAVEN, INC.
STATEMENTS of FINANCIAL POSITION
June 30, 2015 and 2014

	2015	2014
ASSETS		
Cash and cash equivalents (including permanently restricted cash of $50,664)	$ 661,959	$ 820,293
Campaign pledges receivable, less allowance for uncollectibles of $188,130 in 2015 and $160,528 in 2014	1,584,565	1,652,691
Accounts and other receivables	253,739	302,585
Beneficial interest in assets held by others	262,631	250,983
Other assets	56,068	55,982
Long-term investments	1,279,776	1,367,500
Property and equipment, at cost less accumulated depreciation	95,020	110,210
Total assets	$ 4,193,758	$ 4,560,244
LIABILITIES AND NET ASSETS		
Accounts payable	$ 331,966	$ 228,967
Line of credit	350,000	525,000
Community investment and grants payable	533,965	467,803
Donor directed gifts payable	1,093,648	443,877
Accrued expenses and other liabilities	800,657	801,331
Note payable	-	10,714
Total liabilities	3,110,236	2,477,692
Net assets:		
Unrestricted	293,786	458,245
Temporarily restricted	739,072	1,573,643
Permanently restricted	50,664	50,664
Total net assets	1,083,522	2,082,552
Total liabilities and net assets	$ 4,193,758	$ 4,560,244

See notes to financial statements.

UNITED WAY of GREATER NEW HAVEN, INC.
STATEMENTS OF ACTIVITIES
Years ended June 30, 2015 and 2014

	2015				2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Amounts Raised and Public Support Received Directly:								
Public support	$ 4,661,218	$ 22,338	$ -	$ 4,683,556	$ 3,998,894	$ 700,071	$ -	$ 4,698,965
Less:								
Allowance for uncollectible pledges receivable	(195,790)	-	-	(195,790)	(165,280)	-	-	(165,280)
Donor directed gifts	(2,111,650)	-	-	(2,111,650)	(1,333,485)	-	-	(1,333,485)
Total direct campaign support	2,353,778	22,338	-	2,376,116	2,500,129	700,071	-	3,200,200
Gifts, bequests, grants and other	1,428,569	98,440	-	1,527,009	1,975,421	40,000	-	2,015,421
Federal early head start grant	590,557	-	-	590,557	542,953	-	-	542,953
Present value adjustment of split interest agreement	-	(1,204)	-	(1,204)	-	(1,532)	-	(1,532)
Total public support received directly	4,372,904	119,574	-	4,492,478	5,018,503	738,539	-	5,757,042
Net assets released from restrictions	954,145	(954,145)	-	-	1,661,477	(1,661,477)	-	-
Total direct support	5,327,049	(834,571)	-	4,492,478	6,679,980	(922,938)	-	5,757,042
Public Support Received Indirectly, Revenues, Gains and Other Support:								
Investment return	58,849	-	-	58,849	209,336	-	-	209,336
Administrative fees on donor directed gifts	54,761	-	-	54,761	45,594	-	-	45,594
Special events and sponsorships	50,223	-	-	50,223	285,469	-	-	285,469
Miscellaneous income	31,216	-	-	31,216	27,354	-	-	27,354
Total public support received indirectly, revenues, gains and other support	195,049	-	-	195,049	567,753	-	-	567,753
Total public support, revenues, gains and other support	5,522,098	(834,571)	-	4,687,527	7,247,733	(922,938)	-	6,324,795
Expenses:								
Community Impact:								
Grants:								
Annual community investment	4,531,176	-	-	4,531,176	4,935,002	-	-	4,935,002
Donor directed gifts	(2,111,650)	-	-	(2,111,650)	(1,333,485)	-	-	(1,333,485)
Program services	1,737,712	-	-	1,737,712	1,767,528	-	-	1,767,528
Total community impact	4,157,238	-	-	4,157,238	5,369,045	-	-	5,369,045
Support Services:								
Fundraising	588,379	-	-	588,379	675,488	-	-	675,488
Management and general	791,752	-	-	791,752	757,405	-	-	757,405
Dues and support to United Way Worldwide	44,434	-	-	44,434	46,412	-	-	46,412
Total support services	1,424,565	-	-	1,424,565	1,479,305	-	-	1,479,305
Total community impact and support services	5,581,803	-	-	5,581,803	6,848,350	-	-	6,848,350
Change in net assets	(59,705)	(834,571)	-	(894,276)	399,383	(922,938)	-	(523,555)
Pension and postretirement benefit change	(104,754)	-	-	(104,754)	(29,755)	-	-	(29,755)
Net assets, beginning	458,245	1,573,643	50,664	2,082,552	88,617	2,496,581	50,664	2,635,862
Net assets, ending	$ 293,786	$ 739,072	$ 50,664	$ 1,083,522	$ 458,245	$ 1,573,643	$ 50,664	$ 2,082,552

See notes to financial statements.

UNITED WAY of GREATER NEW HAVEN, INC.
STATEMENTS of CASH FLOWS
Years ended June 30, 2015 and 2014

	2015	2014
Cash flows - operating activities:		
Change in net assets	($ 894,276)	($ 523,555)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Net realized/unrealized gain on long-term investments	(24,894)	(184,378)
Allowance for uncollectible pledges receivable	195,790	165,280
Depreciation	24,661	26,146
Loss on disposal of equipment	-	712
Decrease (increase) in assets:		
Campaign pledges receivable	(127,664)	(710,150)
Accounts and other receivables	48,846	(135,641)
Other pledge receivable	-	1,500,000
Beneficial interest in assets held by others	(11,648)	(27,807)
Other assets	(86)	(1,612)
Increase (decrease) in liabilities:		
Accounts payable	102,999	61,096
Community investment and grants payable	66,162	(454,356)
Donor directed gifts payable	649,771	(219,347)
Accrued expenses and other liabilities	(105,428)	(50,168)
Deferred revenue	-	(704,152)
Net cash used by operating activities	(75,767)	(1,257,932)
Cash flows - investing activities:		
Purchases of property and equipment	(9,471)	(14,808)
Purchases of long-term investments	(403,479)	(217,800)
Proceeds from sales of long-term investments	516,097	409,209
Net cash provided by investing activities	103,147	176,601
Cash flows - financing activities:		
Net borrowings (repayments) on line of credit	(175,000)	525,000
Repayment of principal on note payable	(10,714)	(12,194)
Net cash provided (used) by financing activities	(185,714)	512,806
Net change in cash and cash equivalents	(158,334)	(568,525)
Cash and cash equivalents, beginning	820,293	1,388,818
Cash and cash equivalents, ending	$ 661,959	$ 820,293
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	$ 833	$ 3,202

See notes to financial statements.

UNITED WAY of GREATER NEW HAVEN, INC.
STATEMENTS of FUNCTIONAL EXPENSES
Years ended June 30, 2015 and 2014

2015

	Program Services			Support Services			
	Community Impact	Federal Early Head Start Grant (DHHS)	Total Program Services	Fund-Raising	Management and General	Dues and Support to United Way Worldwide	Grand Total
Salaries and wages	$ 575,152	$ 77,248	$ 652,400	$ 304,736	$ 518,153	$ -	$ 1,475,289
Employee benefits	83,863	2,094	85,957	42,142	72,563	-	200,662
Payroll taxes	51,819	6,362	58,181	21,162	35,679	-	115,022
Supplies	10,587	622	11,209	7,478	11,324	-	30,011
Telephone	31,504	1,610	33,114	9,165	11,635	-	53,914
Postage	3,088	315	3,403	2,880	1,794	-	8,077
Occupancy	87,837	9,346	97,183	30,794	57,169	-	185,146
Equipment rental and maintenance	19,204	2,418	21,622	16,355	22,281	-	60,258
Printing and publications	114,443	36	114,479	59,001	451	-	173,931
Travel	2,287	1,229	3,516	5,576	321	-	9,413
Conferences and meetings	21,032	5,339	26,371	27,356	8,699	-	62,426
Depreciation	9,838	1,464	11,302	5,059	8,300	-	24,661
Professional fees	114,820	6,895	121,715	50,314	42,466	-	214,495
Awards	1,679	-	1,679	350	585	-	2,614
Membership dues	1,127	828	1,955	6,011	332	44,434	52,732
Delegate expenses	-	493,626	493,626	-	-	-	493,626
Total expenses	$ 1,128,280	$ 609,432	$ 1,737,712	$ 588,379	$ 791,752	$ 44,434	$ 3,162,277

2014

	Program Services			Support Services			
	Community Impact	Federal Early Head Start Grant (DHHS)	Total Program Services	Fund-Raising	Management and General	Dues and Support to United Way Worldwide	Grand Total
Salaries and wages	$ 605,793	$ 74,110	$ 679,903	$ 361,665	$ 503,311	$ -	$ 1,544,879
Employee benefits	98,366	5,169	103,535	61,144	80,866	-	245,545
Payroll taxes	42,626	5,872	48,498	27,267	37,398	-	113,163
Supplies	11,419	4,236	15,655	7,106	11,486	-	34,247
Telephone	27,775	1,660	29,435	9,639	8,093	-	47,167
Postage	5,524	303	5,827	5,587	2,019	-	13,433
Occupancy	72,990	7,669	80,659	38,020	48,361	-	167,040
Equipment rental and maintenance	23,673	1,998	25,671	16,842	19,865	-	62,378
Printing and publications	129,603	46	129,649	38,939	1,832	-	170,420
Travel	2,192	1,152	3,344	3,742	944	-	8,030
Conferences and meetings	56,919	4,183	61,102	38,040	9,130	-	108,272
Depreciation	10,050	1,412	11,462	6,339	8,345	-	26,146
Professional fees	120,911	6,408	127,319	54,879	25,720	-	207,918
Awards	200	-	200	649	35	-	884
Membership dues	3,794	3,095	6,889	5,630	-	46,412	58,931
Delegate expenses	-	438,380	438,380	-	-	-	438,380
Total expenses	$ 1,211,835	$ 555,693	$ 1,767,528	$ 675,488	$ 757,405	$ 46,412	$ 3,246,833

See notes to financial statements.

1 - Nature of Activities

United Way of Greater New Haven (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 the most pressing challenges in our region by focusing on the building blocks for a good life: Education, Income, and Health. To fulfill this mission, United Way:

- works with other community leaders and citizens to identify the region's greatest needs and best opportunities for change;
- focuses organizational leadership, advocacy and giving on education, income and health;
- generates and invests financial and other resources for measurable community results; and
- champions volunteerism and civic engagement.

In addition to bringing the community together through conversation, planning and volunteerism, 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.

United Way's community investments of financial and human resources include local direct service programs that address basic human needs and crisis services; local programs that focus on prevention; and projects and collaborative efforts to influence community change. Examples of United Way's recent community work include Secure Start, one of our Success By 6 initiatives that is providing parenting classes to help parents create strong, healthy relationships with their young children. An independent evaluation of the initiative shows that parents who participate have increased satisfaction with parenting and fewer depressive symptoms. Also as part of our Success By 6 efforts, United Way manages an Early Head Start program through a grant funded by the U.S. Department of Health and Human Services. United Way provides full-day, full-year child care and comprehensive services for thirty-six infants and toddlers and their families through two not-for-profit providers.

For school-age youth, United Way has focused on bolstering programs and services available during out-of-school time. In 2014/15, more than 1,500 school-age youth participated in high quality after-school programs and another 2,200 received mentoring or counseling services as a result of United Way funding. In addition, United Way is a partner in the New Haven Trauma Coalition, funded largely through state dollars, which is testing new ways of providing mental health services to students in schools.

To help people manage their income, United Way trains volunteers to serve as budget coaches through our Smart About Money (SAM) program. SAM helps low and moderate-income households achieve their financial goals with the assistance of a volunteer Budget Coach. Participants have decreased their debt and increased their savings through participation in SAM.

United Way has also supported VITA services in our region; last year, over 4,912 low-income individuals received free assistance to complete their tax returns through VITA, securing more than $7.2 million in returns. These dollars helped working families provide food and clothing for their children, and in turn benefited the local economy.

Since the advent of the 100 Days Campaign to End Chronic Homelessness last year, United Way has worked with multiple partners to connect almost 250 chronically homeless individuals to housing. In addition, United Way now houses and helps to manage the Coordinated Access Network, the re-designed service system to connect homeless individuals to services and housing more quickly.

Thanks to United Way support, the New Haven Food Truck was able to serve more than 50,000 meals to children and youth over the past five summers to prevent childhood hunger and to provide the good nutrition necessary for strong minds and bodies.

Through our work with Neighbor-to-Neighbor, a partnership between United Way and the Jewish Foundation of Greater New Haven, over the past five years, more than 4,000 individuals received emergency shelter or housing services to prevent homelessness and more than 1.3 million meals were served at soup kitchens and shelters.

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 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.

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.

2 - Summary of Significant Accounting Policies

Annual Campaigns

Campaigns are conducted throughout the year and annually during the fall of each year to raise support for United Way's community investment in local social service and community change programs. Generally, all contributions are considered available for unrestricted use by United Way unless it is determined that contributions are specifically restricted by the donor. Pledges receivable are reported in the statement of financial position and allowances are provided for amounts estimated to be uncollectible.

United Way receives a majority of its contributions from contributors in the Greater New Haven area. 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.

Basis of Accounting

United Way prepares its financial statements in accordance with U.S. generally accepted accounting principles, which involves the application of accrual accounting. Consequently, revenues are recognized when earned and expenses are recognized when incurred.

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

Unrestricted net assets

Unrestricted net assets are not subject to donor-imposed stipulations. 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.

Temporarily restricted net assets

Temporarily restricted net assets are subject to donor-imposed stipulations that may or will be met, either by actions of United Way and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets

Permanently restricted net assets are subject to donor-imposed stipulations that they be maintained permanently by United Way.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Accordingly, actual results could differ from those estimates.

In particular, allowances for uncollectible pledges receivable have been computed based on historical averages applied to gross campaign collection patterns and management estimates of current economic factors, and actual collections may vary significantly from the assumptions and estimates used.

Cash and Cash Equivalents

For purposes of the statement of cash flows, United Way considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at market value in the statement of financial position.

Gains and losses on dispositions are accounted for on an average cost basis. Net realized and unrealized gains and losses are included in the statement of activities.

Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met in the reporting period in which the income and gains are recognized.

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 United Way 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 organization; 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.

Civic Engagement

United Way is committed to volunteerism and civic engagement and has facilitated thousands of volunteer hours in the community. Volunteer coordination efforts include: the annual Days of Caring, which engage volunteers throughout the region to support local agencies, schools, community centers, and other organizations that serve people. The web-based Volunteer Link program has connected over 1,200 individuals to local nonprofit agencies. In addition, United Way connects over 1,500 individuals yearly through customized corporate and citizen volunteer programs. These services do not meet the criteria for recording as contributions under U.S. generally accepted accounting principles as they do not require specialized skills.

Donated materials and property and equipment collected through United Way's civic engagement activities are recorded at their estimated fair values at the date of donation.

Functional Expense Allocation

Non-payroll costs which pertain to a single program (including fundraising and management and general) are charged directly to the applicable program. Non-payroll costs which pertain to more than one program are allocated between the benefiting programs using a meaningful allocation base. Those costs are generally allocated based on management's analysis of staff time. Non-payroll costs that cannot be specifically identified with a program are considered management and general costs. Payroll costs are recorded based on United Way's analysis of time each employee spends on certain tasks during the year according to each employee's job description, program goals and individual employee work plans. Employees can be involved in one program, more than one program, management and general, or a combination of program, fundraising and management and general functions.

Income taxes

United Way is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is not considered a private foundation. However, income from certain activities not directly related to United Way's tax-exempt purpose would be subject to taxation as unrelated business income. As of June 30, 2015, United Way believes it did not engage in any unrelated business activities and therefore does not have any uncertain tax positions. It is United Way's policy to recognize interest and penalties, if any, in the provision for taxes.

United Way's income tax returns for fiscal years ended June 30, 2012, 2013, 2014, and 2015 are subject to examination by federal and state authorities, generally for three years after they were filed.

Subsequent Events

Management has evaluated subsequent events through October 8, 2015, the date the financial statements were available to be issued.

3 - Pledges Receivable and Allowance for Uncollectibles

Details of pledges receivable and the allowance for uncollectibles at June 30, 2015 are as follows:

Campaign Conducted	Campaign Allocation Year	Balance of Pledges Receivable	Present Value Discount	Allowance for Uncollectible Pledges	Net Pledges Receivable
Fall 2016	2017	$ 242,000	$ 13,761	$ -	$ 228,239
Fall 2015	2016	220,000	-	-	220,000
Fall 2014	2015	1,324,456	-	188,130	1,136,326
		$ 1,786,456	$ 13,761	$ 188,130	$ 1,584,565

Details of pledges receivable and the allowance for uncollectibles at June 30, 2014 are as follows:

Campaign Conducted	Campaign Allocation Year	Balance of Pledges Receivable	Present Value Discount	Allowance for Uncollectible Pledges	Net Pledges Receivable
Fall 2016	2017	$ 242,000	$ 23,589	$ -	$ 218,411
Fall 2015	2016	220,000	12,510	-	207,490
Fall 2014	2015	200,000	-	-	200,000
Fall 2013	2014	1,187,318	-	160,528	1,026,790
		$ 1,849,318	$ 36,099	$ 160,528	$ 1,652,691

Pledges collectible over one year from June 30, 2015 and 2014 are discounted to their net present value at 4.5%.

4 - 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 13% 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, 3-year average of information taken from IRS Form 990. The three-year averages, from tax filings through fiscal 2014, were 19.41% for fundraising and administrative costs. 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 $2,111,650 and $1,333,485 at June 30, 2015 and 2014, respectively, are shown as a reduction in the amount reported as campaign amounts raised and community impact expenses in the statement of activities.

5 - Beneficial Interest in Assets Held by Others

United Way transferred funds to The Community Foundation for Greater New Haven ("Community Foundation") to establish an endowment fund and specified itself as a beneficiary of the fund. The Community Foundation will make annual distributions of the income earned on the endowment fund, subject to the Community Foundation's spending policy. This distribution is included in campaign revenue on the statement of activities. United Way explicitly grants variance power to the Community Foundation, in that the agreement permits the Community Foundation to substitute another beneficiary in the place of United Way if United Way ceases to exist or if the governing board of the Community Foundation votes that support of United Way (a) is no longer necessary or (b) is inconsistent with the needs of the community.

United Way's beneficial interest in the assets transferred to the Community Foundation amounted to $262,631 and $250,983 at June 30, 2015 and 2014, respectively. The change in value of United Way's beneficial interest is included in miscellaneous income on the statement of activities.

6 - Other Assets Including Split-Interest Agreements

Details of other assets at June 30 are as follows:

	2015	2014
Charitable remainder unitrust	$ 33,605	$ 34,809
Prepaid expenses	22,463	21,173
	$ 56,068	$ 55,982

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. The present value of United Way's 10% interest in the CRUT was $33,605 and $34,809 at June 30, 2015 and 2014, respectively, and is a temporarily restricted net asset.

7 - Long -Term Investments

Long-term investments at June 30 are summarized as follows:

	2015		
	Cost	Market Value	Unrealized Gain
Mutual Funds	$ 1,103,838	$ 1,279,776	$ 175,938

	2014		
	Cost	Market Value	Unrealized Gain
Mutual Funds	$ 1,155,946	$ 1,367,500	$ 211,554

The components of investment return for the year ended June 30 are as follows:

	2015	2014
Income on investments, net of fees of $9,021 and $9,060 in 2015 and 2014, respectively	$ 33,719	$ 24,500
Realized gains	60,510	57,406
Unrealized gains (losses)	(35,616)	126,972
Interest on cash equivalents	236	458
	$ 58,849	$ 209,336

8 - Fair Value Measurements

United Way utilizes the market approach as the valuation technique to measure fair value of its financial investments. U.S. generally accepted accounting principles establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value of financial instruments into three levels. The following is derived from information provided by reports received from First Niagara Bank and the Community Foundation of Greater New Haven:

Level 1 - Observable inputs from quoted market prices for identical assets or liabilities to which independent access at the measurement date is available.

Level 2 - Observable inputs other than from direct quoted market prices or indices for the asset or liability, either directly or indirectly, or can be corroborated by observable inputs and market data, with the ability to redeem the asset in the near term subsequent to the measurement date.

Level 3 - Prices, which may be based on an underlying quoted market prices, observable input and/or market data contained in Level 1 and Level 2, which also requires significant judgment on observable inputs by the investee as to the net asset value per share or unit of The Community Foundation's ownership interest in the partners' capital, and where redemption would be available in a period of more than 90 days from the measurement date. Valuation methodologies by the fund include, but are not limited to, discounted cash flow analysis, comparable asset analysis, third-party appraisals, third-party pricing services and other applicable indices where:

Observable inputs reflect the market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and from independent sources that are actively involved in the relevant markets, and include assumptions made in pricing and valuations of the asset or liability that are developed from independent sources.

A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

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

2015				
Description	Total Fair Market Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds:				
Domestic equity	$ 720,650	$ 720,650	$ -	$ -
Fixed income	329,613	329,613	-	-
International	151,105	151,105	-	-
Alternatives	78,408	78,408	-	-
Beneficial interest - assets held by others	262,631	55,719	119,044	87,868
Beneficial interest - charitable remainder unitrust	33,605	-	-	33,605
	$ 1,576,012	$ 1,335,495	$ 119,044	$ 121,473

2014				
Description	Total Fair Market Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds:				
Domestic equity	$ 795,513	$ 795,513	$ -	$ -
Fixed income	350,646	350,646	-	-
International	131,189	131,189	-	-
Alternatives	90,152	90,152	-	-
Beneficial interest - assets held by others	250,983	69,025	89,646	92,312
Beneficial interest - charitable remainder unitrust	34,809	-	-	34,809
	$ 1,653,292	$ 1,436,525	$ 89,646	$ 127,121

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.

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

	Beneficial interest - assets held by others	Beneficial interest - charitable remainder unitrust
July 1, 2013	$ 78,750	$ 36,341
Change in value	13,562	(1,532)
June 30, 2014	92,312	34,809
Change in value	(4,444)	(1,204)
June 30, 2015	$ 87,868	$ 33,605

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 years ended June 30, 2015 and 2014.

9 - Property and Equipment

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

	2015	2014
Equipment	$ 358,851	$ 354,224
Furniture and fixtures	130,017	125,173
	488,868	479,397
Less, accumulated depreciation	393,848	369,187
	$ 95,020	$ 110,210

Depreciation expense for the years ended June 30, 2015 and 2014 was $24,661 and $26,146, respectively.

10 - Line of Credit

United Way has a $100,000 line of credit which was unused at June 30, 2015 and 2014. Bank advances on the credit line are payable on demand and carry an interest rate of 1.25% above the bank's prime rate. The credit line is secured by all equipment, inventory, and receivables now owned or acquired by United Way.

United Way has a second, $800,000 line of credit available for its use with an interest rate of 2.00% above the one month LIBOR Flex Rate (2.19% at June 30, 2015). Borrowings were $350,000 and $525,000 at June 30, 2015 and 2014 and were secured by a portion of United Way's cash equivalents and investments.

11 - Note Payable

In March 2012, United Way entered into a term loan for the purchase of furniture and fixtures. The note matured in March 2015. Monthly principal and interest payments were $1,283 with a fixed rate of interest of 18.30%. The balance of the note payable was $-0- and $10,714 at June 30, 2015 and 2014, respectively, and was secured by the assets purchased. Interest expense amounted to $833 and $3,202 at June 30, 2015 and 2014, respectively, and is included in supplies expense.

12 - Temporarily Restricted Net Assets

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

	2015	2014
Time restricted - fall campaigns	$ 448,239	$ 700,071
Split - interest agreement	33,605	34,809
Time restricted - other programs	138,440	40,000
Time restricted - education programs	118,788	798,763
	$ 739,072	$ 1,573,643

13 - 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:

	2015	2014
General operations	$ 45,064	$ 45,064
Mittens, gloves and hats for underprivileged children	5,600	5,600
	$ 50,664	$ 50,664

Changes in endowment net assets for the year ended June 30, 2015 and 2014 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, July 1, 2013	$ -	$ -	$ 50,664	$ 50,664
Investment return:				
Investment income	-	21	-	21
Total investment return	-	21	-	21
Appropriation of endowment assets for expenditure	-	(21)	-	(21)
Endowment net assets, June 30, 2014	-	-	50,664	50,664
Investment return:				
Investment income	-	16	-	16
Total investment return	-	16	-	16
Appropriation of endowment assets for expenditure	-	(16)	-	(16)
Endowment net assets, June 30, 2015	$ -	$ -	$ 50,664	$ 50,664

14 - Net Assets Released from Restrictions

The sources of net assets released from temporary donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of events specified by the donors were as follows at June 30:

	2015	2014
Time restricted - fall campaigns	$ 274,170	$ 150,407
Time restricted - other programs	-	98,631
Time restricted - education programs	679,975	1,412,439
Total	$ 954,145	$ 1,661,477

15 - 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 accumulated pension benefit obligation, the fair value of assets and the funded status of the plan at June 30:

	2015	2014
Accumulated pension benefit obligation	$ 2,721,119	$ 2,684,611
Fair value of plan assets	2,014,121	1,994,962
Funded status	($ 706,998)	($ 689,649)
Liability for pension benefits (included in accrued expenses and other liabilities)	$ 706,998	$ 689,649

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

	2015	2014
Pension benefit cost	$ 13,734	$ 17,447
Employer contribution	60,000	60,000
Benefits paid	101,775	90,603

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

	2015	2014
Transitional obligation	$ -	$ -
Prior service cost	-	-
Unrecognized net loss	725,942	662,327
Total recognized in unrestricted net assets	$ 725,942	$ 662,327

The following summarizes the amounts in unrestricted net assets expected to be recognized in net periodic benefit cost for the year ended June 30, 2016:

Amortization of transitional obligation	$ -
Amortization of prior service cost	-
Amortization of unrecognized net loss	34,644
Total estimated amortizations from unrestricted net assets to net periodic benefit cost	$ 34,644

The assumptions used in the measurement of United Way's pension benefit obligation and net periodic benefit cost at June 30 are shown in the following table:

	2015		2014	
	Obligation	Cost	Obligation	Cost
Weighted-average assumptions:				
Discount rate	4.1%	4.0%	4.0%	4.0%
Expected long-term rate of return on plan assets	6.5%	6.5%	7.5%	7.5%
Rate of compensation increase	N/A	N/A	N/A	N/A

The Expected Long-Term Rate of Return on Plan Assets assumption of 6.5% was selected for 2015 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 historical 30 year period rolling averages. 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 6.39% - 8.90%. A rate of 6.50% which is within the best estimate range was selected.

The Expected Long-Term Rate of Return on Plan Assets assumption of 7.5% was selected for 2014 using the "building block" approach described by the Actuarial Standards Board in Actuarial Standards of Practice No. 27 - Selection Economic Assumptions for Measuring Pension Obligations. Based on United Way of Greater New Haven, Inc.'s investment allocation 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 for inflation based on historical 30 year period rolling averages. An average inflation rate within the range equal to 3.75% was selected and added to the real rate of return range to arrive at a best estimate range of 6.91% - 9.53%. A rate of 7.5% which is within the best estimate range was selected.

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

	2015	2014
Equity securities	63.6%	61.0%
Fixed income securities	25.4%	25.2%
Cash and cash equivalents	11.0%	13.8%
	100.0%	100.0%

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.

The fair values of United Way's pension plan assets by asset category at June 30 are as follows:

2015				
Description	Total Fair Market Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	$ 222,095	$ 222,095	$ -	$ -
Fixed income	512,341	-	512,341	-
Common stocks	1,279,685	1,279,685	-	-
	$ 2,014,121	$ 1,501,780	$ 512,341	$ -

2014				
Description	Total Fair Market Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	$ 274,402	$ 274,402	$ -	$ -
Fixed income	502,807	-	502,807	-
Common stocks	1,217,753	1,217,753	-	-
	$ 1,994,962	$ 1,492,155	$ 502,807	$ -

United Way expects to contribute $60,000 to its pension plan in the year ending June 30, 2016.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as of June 30:

2016	$ 134,000
2017	134,000
2018	138,000
2019	140,000
2020	144,000
2021-2025	741,000

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. Participants who are employed as of July 1, 2005 are eligible for matching contributions in the first plan year. There is also a provision for additional employer discretionary contributions. Employer discretionary contributions are 100% vested after 3 years of service. Participants who are employed as of July 1, 2005 are immediately 100% vested in employer discretionary contributions. The pension expense for this plan was $69,755 and $63,122 for the years ended June 30, 2015 and 2014, respectively.

16 - 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 except one 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 is as follows:

	2015	2014
Accumulated postretirement benefit obligation (included in accrued expenses and other liabilities)	$ 61,232	$ 76,420
Postretirement benefit cost	2,535	1,171
Curtailment gain	52,453	-
Employer contributions	6,409	6,214
Benefits paid	6,409	6,214

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

	2015	2014
Transitional obligations	$ -	$ -
Prior service cost	-	(32,147)
Unrecognized net gain	(65,575)	(74,567)
Total recognized in unrestricted net assets	($ 65,575)	($ 106,714)

The following summarizes the amounts in unrestricted net assets expected to be recognized in net periodic benefit cost for the year ended June 30, 2016:

Amortization of transitional obligation	$ -
Amortization of prior service cost	-
Amortization of unrecognized net gain	(9,132)
Total estimated amortizations from unrestricted net assets to net periodic benefit cost	($ 9,132)

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

	2015		2014	
	Obligation	Cost	Obligation	Cost
Weighted-average assumptions:				
Discount rate	3.15%	4.00%	3.59%	4.00%
Rate of compensation increase	4.00%	4.00%	4.00%	4.00%

The assumed healthcare cost trend rate used to measure the expected cost of benefits covered by the plan for the year ended June 30, 2015 was 8%. The ultimate trend rate expected to be achieved by the year ended June 30, 2020 is 5%.

United Way expects to contribute approximately $6,000 to its postretirement plan in the year ended June 30, 2016.

Expected future benefit payments as of June 30, 2015 are as follows:

2016	$ 9,000
2017	10,000
2018	8,000
2019	6,000
2020	6,000
2021-2025	19,000

17 - 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 were two entities in 2015 and one entity in 2014, involved in these activities amounting to expenditures by United Way of $9,030 and $8,572, respectively. Goods and services provided for these activities were rendered at, or less than, fair market value.

18 - 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, 2015 are approximately as follows:

2016	$ 146,400
2017	147,800
2018	152,300
2019	156,800
2020	161,500
	$ 764,800

Rent expense amounted to $144,166 and $141,198 for the years ended June 30, 2015 and 2014, respectively.

19 - Concentration of Credit Risk

United Way maintains cash in bank accounts, which, at times, may exceed 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.