



UNITED WAY OF DELAWARE, INC.

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

JUNE 30, 2021

UNITED WAY OF DELAWARE, INC.
JUNE 30, 2021

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1
CONSOLIDATED FINANCIAL STATEMENTS:	
Consolidated Statements of Financial Position	3
Consolidated Statement of Activities	4
Consolidated Statement of Functional Expenses	6
Consolidated Statements of Cash Flows	8
Notes to Consolidated Financial Statements	9
CONSOLIDATING FINANCIAL STATEMENTS:	
Consolidating Statement of Financial Position	20
Consolidating Statement of Activities	21
Consolidating Statement of Cash Flows	23



INDEPENDENT AUDITOR'S REPORT

January 26, 2022

To the Board of Directors
United Way of Delaware, Inc.
Wilmington, Delaware

Report on the Financial Statements

We have audited the accompanying consolidated financial statements, which comprise the consolidated statement of financial position of United Way of Delaware, Inc. ("the Organization"), a not-for-profit organization, as of June 30, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements,

To the Board of Directors
United Way of Delaware, Inc.

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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of United Way of Delaware, Inc. as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited United Way of Delaware, Inc.'s June 30, 2020 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated November 10, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements of the Organization as a whole. The supplemental consolidating information presented on pages 20 - 23 is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Barbacane, Thornton & Company LLP
BARBACANE, THORNTON & COMPANY LLP

UNITED WAY OF DELAWARE, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

	2021	2020
<u>ASSETS</u>		
Cash and cash equivalents	\$ 3,374,753	\$ 2,879,704
Pledges receivable, net	4,815,665	4,871,821
Investments, at fair value	4,693,618	4,050,629
Building and equipment, net of accumulated depreciation	931,723	888,210
Other assets	512,968	469,758
TOTAL ASSETS	\$ 14,328,727	\$ 13,160,122
 <u>LIABILITIES AND NET ASSETS</u>		
<u>LIABILITIES:</u>		
Distributions payable to agencies, including donor designations of \$2,416,298 and \$2,121,325 for 2021 and 2020, respectively	\$ 3,342,974	\$ 2,929,473
Accounts payable and accrued expenses	627,210	320,813
Total Liabilities	3,970,184	3,250,286
 <u>NET ASSETS:</u>		
Without donor restrictions:		
Undesignated	893,092	1,519,581
Designated	3,666,572	3,240,299
Total Without Donor Restrictions	4,559,664	4,759,880
With donor restrictions	5,798,879	5,149,956
Total Net Assets	10,358,543	9,909,836
TOTAL LIABILITIES AND NET ASSETS	\$ 14,328,727	\$ 13,160,122

The accompanying notes are an integral part of these financial statements.

UNITED WAY OF DELAWARE, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021
(With Summarized Totals for 2020)

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2021	2020
CAMPAIGN RESULTS				
Annual Campaign	\$ 9,142,406	\$ 1,705,412	\$ 10,847,818	\$ 12,607,795
Less: Amounts raised on behalf of others	(4,860,893)	(1,214,446)	(6,075,339)	(6,214,384)
	<u>\$ 4,281,513</u>	<u>\$ 490,966</u>	<u>\$ 4,772,479</u>	<u>\$ 6,393,411</u>
PASS THROUGH ACTIVITY				
Delaware State Nonprofit Support Program	\$ -	\$ 5,100,000	\$ 5,100,000	\$ -
Less: Distributions	-	(5,100,000)	(5,100,000)	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
PUBLIC SUPPORT AND REVENUE				
Campaign Public Support:				
Annual campaign - undesignated	\$ 4,281,513	\$ 490,966	\$ 4,772,479	\$ 6,393,411
Contributions released from restrictions	61,993	(61,993)	-	-
Total Annual Campaign - Undesignated	<u>4,343,506</u>	<u>428,973</u>	<u>4,772,479</u>	<u>6,393,411</u>
Less: Provision for uncollectible pledges	(400,000)	-	(400,000)	(450,000)
Total Campaign Public Support	<u>3,943,506</u>	<u>428,973</u>	<u>4,372,479</u>	<u>5,943,411</u>
Grant revenue	-	5,430,905	5,430,905	3,321,379
Delaware 2-1-1 Program grants and contracts	976,739	-	976,739	547,339
Net assets released from restrictions	5,822,022	(5,822,022)	-	-
Total Public Support	<u>10,742,267</u>	<u>37,856</u>	<u>10,780,123</u>	<u>9,812,129</u>
Revenue:				
Administrative fees on amounts raised on behalf of others	455,948	-	455,948	581,363
Miscellaneous revenue	622,467	-	622,467	752,485
Unemployment revenue	57,094	-	57,094	127,668
Total Revenue	<u>1,135,509</u>	<u>-</u>	<u>1,135,509</u>	<u>1,461,516</u>
TOTAL PUBLIC SUPPORT AND REVENUE	<u>11,877,776</u>	<u>37,856</u>	<u>11,915,632</u>	<u>11,273,645</u>
EXPENSES				
Campaign operating costs	2,199,790	-	2,199,790	3,191,227
Program costs	10,352,266	-	10,352,266	8,131,722
TOTAL EXPENSES	<u>12,552,056</u>	<u>-</u>	<u>12,552,056</u>	<u>11,322,949</u>
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	<u>(674,280)</u>	<u>37,856</u>	<u>(636,424)</u>	<u>(49,304)</u>

(Continued on next page.)

UNITED WAY OF DELAWARE, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021
(With Summarized Totals for 2020)

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2021	2020
NONOPERATING ACTIVITIES				
Investment income	474,064	611,067	1,085,131	38,155
Total Nonoperating Activities	<u>474,064</u>	<u>611,067</u>	<u>1,085,131</u>	<u>38,155</u>
CHANGE IN NET ASSETS	(200,216)	648,923	448,707	(11,149)
NET ASSETS, BEGINNING OF YEAR	<u>4,759,880</u>	<u>5,149,956</u>	<u>9,909,836</u>	<u>9,920,985</u>
NET ASSETS, END OF YEAR	<u>\$ 4,559,664</u>	<u>\$ 5,798,879</u>	<u>\$ 10,358,543</u>	<u>\$ 9,909,836</u>

The accompanying notes are an integral part of these financial statements.

UNITED WAY OF DELAWARE, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021
(With Summarized Totals for 2020)

	Campaign Operating Costs			Total Campaign Operating Costs	Program Costs		
	Fund Raising and Marketing	General and Administrative	Processing Costs		Community Services	Grade- Level Reading	College and Career Success
EXPENSES							
Salaries	\$ 577,061	\$ 299,243	\$ 171,364	\$ 1,047,668	\$ 547,201	\$ 202,959	\$ 116,429
Employee health and retirement benefits	64,775	94,209	56,251	215,235	123,211	7,750	-
Payroll taxes	45,859	26,989	12,105	84,953	41,504	10,070	14,025
Total Salaries and Related Expenses	<u>687,695</u>	<u>420,441</u>	<u>239,720</u>	<u>1,347,856</u>	<u>711,916</u>	<u>220,779</u>	<u>130,454</u>
Bank and credit card fees	-	19,389	30,296	49,685	-	-	-
Campaign expenses and publications	29,464	-	-	29,464	2,159	-	-
Depreciation	56,889	41,990	9,482	108,361	27,090	-	-
Distributions to agencies	-	-	-	-	-	1,345,383	884,100
Equipment rentals and repairs	-	65,139	35,078	100,217	334	-	-
Fundraising events	13,544	-	-	13,544	-	-	-
In-kind	-	-	-	-	-	-	-
Membership and subscriptions	4,140	24,130	-	28,270	-	-	-
Occupancy	78,063	57,952	6,272	142,287	13,171	-	-
Postage and shipping	792	858	534	2,184	4	2,378	-
Professional service and contract payments	132,220	82,862	53,669	268,751	72,490	143,248	144,888
Supplies	1,197	10,215	130	11,542	1,755	419,863	-
Technology charge	1,125	19,720	-	20,845	1,299	-	-
Telecommunications	-	19,923	19,923	39,846	-	-	-
Travel, training, and meetings	20,180	16,758	-	36,938	14,951	18,142	-
TOTAL EXPENSES	<u>\$ 1,025,309</u>	<u>\$ 779,377</u>	<u>\$ 395,104</u>	<u>\$ 2,199,790</u>	<u>\$ 845,169</u>	<u>\$ 2,149,793</u>	<u>\$ 1,159,442</u>

(Continued on next page.)

UNITED WAY OF DELAWARE, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021
(With Summarized Totals for 2020)

	Financial Stability and Empowerment	COVID-19	Other Programs	Delaware 2-1-1 Program	Total Program Costs	Totals	
						2021	2020
EXPENSES							
Salaries	\$ 375,976	\$ 43,500	\$ 143,094	\$ 459,207	\$ 1,888,366	\$ 2,936,034	\$ 2,772,836
Employee health and retirement benefits	31,791	-	4,667	33,350	200,769	416,004	312,669
Payroll taxes	74,887	-	10,260	97,375	248,121	333,074	264,772
Total Salaries and Related Expenses	<u>482,654</u>	<u>43,500</u>	<u>158,021</u>	<u>589,932</u>	<u>2,337,256</u>	<u>3,685,112</u>	<u>3,350,277</u>
Bank and credit card fees	-	-	-	-	-	49,685	58,914
Campaign expenses and publications	-	-	-	40,511	42,670	72,134	165,867
Depreciation	-	-	-	2,836	29,926	138,287	125,317
Distributions to agencies	1,998,891	743,123	374,611	-	5,346,108	5,346,108	3,474,324
Equipment rentals and repairs	-	-	-	-	334	100,551	84,335
Fundraising events	-	-	-	-	-	13,544	18,357
In-kind	682,000	-	-	144,000	826,000	826,000	826,000
Membership and subscriptions	-	-	176,283	2,653	178,936	207,206	151,504
Occupancy	-	-	-	-	13,171	155,458	177,672
Postage and shipping	-	-	-	-	2,382	4,566	4,775
Professional service and contract payments	407,530	32,001	140,621	27,563	968,341	1,237,092	2,316,685
Supplies	1,531	-	31,238	17,550	471,937	483,479	299,906
Technology charge	60,954	-	-	22,884	85,137	105,982	51,459
Telecommunications	-	-	-	-	-	39,846	32,618
Travel, training, and meetings	6,798	-	8,590	1,587	50,068	87,006	184,939
TOTAL EXPENSES	<u>\$ 3,640,358</u>	<u>\$ 818,624</u>	<u>\$ 889,364</u>	<u>\$ 849,516</u>	<u>\$ 10,352,266</u>	<u>\$ 12,552,056</u>	<u>\$ 11,322,949</u>

The accompanying notes are an integral part of these financial statements.

**UNITED WAY OF DELAWARE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 448,707	\$ (11,149)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	138,287	125,317
Net unrealized and realized (gains) losses on investments	(1,024,018)	39,180
Increase in pledges receivable	(343,844)	(602,634)
Increase in allowance for pledges receivable	400,000	450,000
Increase in other assets	(43,210)	(185,939)
Increase in allocations payable to agencies	413,501	166,929
Increase (Decrease) in accounts payable and accrued expenses	306,397	(164,023)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>295,820</u>	<u>(182,319)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment	(181,800)	(70,939)
Purchase of investments	(90,458)	(479,458)
Proceeds from sales of investments	471,487	811,585
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>199,229</u>	<u>261,188</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	495,049	78,869
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,879,704</u>	<u>2,800,835</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 3,374,753</u>	<u>\$ 2,879,704</u>
SUPPLEMENTAL INFORMATION:		
Interest paid	<u>\$ -</u>	<u>\$ -</u>
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

UNITED WAY OF DELAWARE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 NATURE OF THE ORGANIZATION

United Way of Delaware, Inc. and Subsidiary (“the Organization”) is dedicated to improving the quality of life in the State of Delaware by mobilizing society’s capacity to care. A not-for-profit organization, the Organization is a unique partnership that involves donors ranging from staff, volunteers, social service agencies, businesses, government, other nonprofits, and concerned individuals to achieve results that matter and to make a lasting impact on the quality of life in its community.

The Organization is responsible to its member and affiliate agencies and, as such, engages in a fall fund raising campaign to raise funds for member agencies, as well as other 501(c)(3) health and human service agencies. The Organization focuses community attention on the most critical human needs in Delaware, as well as addressing both the symptoms and the root causes of Delaware’s most plaguing issues.

The Organization is dependent upon contributions from corporate and individual donors to support its program services. The level of such contributions can be affected by economic and other conditions. In addition, the choice on the part of donors to designate their gifts to specific agencies can result in reduced funding available to fund programs. A decrease in undesignated contributions could adversely affect the Organization’s ability to provide services and to allocate funds to its member agencies.

In addition to its fund raising efforts, the Organization coordinates and administers the public sector campaign for state government (SECC) and provides direct services to the community through the efforts of organized labor, including services and fund raising coordinated by the labor locals. The Organization also administers an unemployment insurance fund on behalf of several member agencies.

Delaware Helpline, Inc.’s by-laws and certificate of incorporation document that United Way of Delaware, Inc. is its sole corporate member with a majority voting interest, thereby giving United Way of Delaware, Inc. a controlling financial interest. In accordance with the section of the Financial Accounting Standards Board Accounting Standards Codification (“FASB ASC”) related to consolidations of not-for-profit organizations, the financial statements of Delaware Helpline, Inc. have been consolidated with the financial statements of United Way of Delaware, Inc.

Delaware Helpline, Inc. is a not-for-profit agency which provides a statewide, toll-free comprehensive information and referral service. It is dedicated to assisting people in need of human services by informing them of available public, private, and voluntary programs and providing assistance services to resolve those problems. It maintains a database on current health service information in Delaware.

UNITED WAY OF DELAWARE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The financial statements of Delaware Helpline, Inc. are consolidated with the financial statements of United Way of Delaware, Inc. Interorganizational transactions and balances have been eliminated in consolidation.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting.

Financial Statement Presentation

The Organization prepares its financial statements in accordance with the section of the FASB ASC related to financial statements of not-for-profit organizations. Under the FASB ASC, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. In addition, the Organization is required to present a statement of cash flows.

Contributions

Contributions received are recorded as with donor restrictions or without donor restrictions, depending on the existence and/or nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Amounts Raised on Behalf of Others

Donor organizations and individuals participating in such entities' United Way Campaigns may choose to designate all or part of their contributions to specific charitable organizations. These transactions are reported in the statement of activities as part of the total campaign effort and are then deducted as amounts raised on behalf of others to arrive at the public support revenue available to the Organization for use in supporting its programs. Amounts deducted are carried as liabilities until paid to the designated charitable organizations. Fund raising and processing (administrative) fees of up to 12½ percent of amounts designated are recorded as revenue upon collection and prior to remittance to the designated charities. The Organization honors all donor designations to 501(c)(3) and qualified 501(c)(4) agencies in the United States of America in good standing with the IRS. Amounts raised on behalf of others for each of the annual campaigns for the years ended June 30, 2021 and 2020 were \$6,075,339 and \$6,214,384, respectively.

UNITED WAY OF DELAWARE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The Organization reports campaign results which are transferred to a not-for-profit organization specified by the donor in accordance with the FASB ASC section regarding transfers of assets to a not-for-profit organization or charitable trust that raises or holds contributions for others.

Pass Through Activity

The Organization entered into a Professional Services Agreement (“the agreement”) with the State of Delaware Office of Management and Budget (“Delaware OMB”). Under this agreement, Delaware OMB partnered with the Organization in the marketing, data collection, collection of applications, and awards in the distribution of CARES Act funds to Delaware non-profits experiencing dramatic increases in costs responding to the COVID-19 pandemic.

The relationship between the Organization and Delaware OMB was determined to be a contractor (vendor) relationship rather than the Organization being a subrecipient of federal funds. The revenue recognized in the statement of activities was limited to the administrative fee earned by the Organization for providing these services to Delaware OMB. Funds received from Delaware OMB were reduced by the amounts distributed to Delaware non-profits.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization’s tax-exempt purpose may be subject to taxation as unrelated business income.

Accounting principles generally accepted in the United States of America prescribe rules for the recognition, measurement, classification, and disclosure in the financial statements of uncertain tax positions taken or expected to be taken in the Organization’s tax returns. Management has determined that the Organization does not have any uncertain tax positions or associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Organization’s tax returns will not be challenged by the taxing authorities and that the Organization will not be subject to additional tax, penalties, and interest as a result of such challenge.

Cash and Cash Equivalents

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

UNITED WAY OF DELAWARE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Pledges Receivable

Allowances for uncollectible pledges are reviewed and estimated by management annually. As of June 30 of each fiscal year, a final accounting is made of the prior year's campaign. Pledges receivable related to the prior campaign that have not been realized are determined to be uncollectible and are written off.

Building and Equipment

Building and equipment are recorded at cost and depreciated on a straight-line basis over the estimated useful lives of the respective assets. The Organization uses a capitalization threshold of \$1,000. Expenditures for maintenance, repairs, minor renewals, and betterments which do not improve or extend the useful life of the respective asset are expensed. The following is a schedule of the estimated useful lives:

Equipment, furniture, and fixtures	3 - 7 years
Building	40 years
Improvements	4 - 20 years

Investments

Investments are reported at fair value.

Allocation of Functional Expenses

The costs of providing the programs and other activities have been summarized on a functional basis in the statement of activities. Whenever possible, costs are directly assigned to the campaign operating costs and program functions using the direct identification method based on the nature of the expense. Accordingly, certain costs such as salaries and wages, payroll taxes, and employee benefits have been allocated among the functions utilizing the time study methodology. Depreciation expense has been allocated based on the historical usage pattern of the underlying assets.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

UNITED WAY OF DELAWARE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Prior Year Financial Statements

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

NOTE 3 PLEDGES RECEIVABLE

	<u>2021</u>	<u>2020</u>
Pledges receivable related to current campaign	\$ 4,566,881	\$ 4,744,084
Pledges receivable related to prior campaign	1,140,100	861,864
Pledges receivable - State Employee Combined Campaign	108,684	115,873
Allowance for uncollectible pledges	<u>(1,000,000)</u>	<u>(850,000)</u>
Total Pledges Receivable, Net	<u>\$ 4,815,665</u>	<u>\$ 4,871,821</u>

For the years ended June 30, 2021 and 2020, the Organization did not receive pledges from prior year campaigns that were previously written off.

NOTE 4 INVESTMENTS

Investment portfolios consist of the following:

	<u>2021</u>	<u>2020</u>
Delaware Community Foundation Investment Pool	\$ 2,065,170	\$ 1,682,410
Exchange-traded funds	209,166	66,104
Equities	1,879,245	1,486,919
Money market funds	68,514	226,894
Fixed income	<u>471,523</u>	<u>588,302</u>
	<u>\$ 4,693,618</u>	<u>\$ 4,050,629</u>

UNITED WAY OF DELAWARE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 INVESTMENTS (cont'd)

Investment income consists of the following:

	<u>2021</u>	<u>2020</u>
Dividends and interest, net of fees	\$ 61,113	\$ 77,335
Net unrealized and realized gains (losses)	<u>1,024,018</u>	<u>(39,180)</u>
	<u>\$ 1,085,131</u>	<u>\$ 38,155</u>

NOTE 5 BUILDING AND EQUIPMENT

Building and equipment consisted of the following as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Building and improvements	\$ 3,567,482	\$ 3,561,781
Equipment, furniture, and fixtures	<u>1,050,966</u>	<u>874,866</u>
	4,618,448	4,436,647
Less: Accumulated depreciation	<u>(3,686,725)</u>	<u>(3,548,437)</u>
	<u>\$ 931,723</u>	<u>\$ 888,210</u>

NOTE 6 RETIREMENT PLAN

Effective July 1, 2010, the Organization instituted a 403(b) defined contribution pension plan available to all employees. The plan provides for voluntary contributions by employees that are matched by the Organization at fifty cents on the dollar up to six percent of base salary. In addition, the plan allows the Organization to make a discretionary contribution annually at the end of the plan year. Such contribution is calculated as a percent of the employee's annual base salary earned during the plan period July 1 - June 30. The Organization made contributions to the plan of \$174,503 and \$135,075 for the years ended June 30, 2021 and 2020, respectively. Employee contributions to the plan immediately vest to the employee. Employer contributions to the plan vest to the employee over a six-year period.

NOTE 7 DONATED SERVICES AND MATERIALS

Contributed services are not recognized as revenue unless the services received create or enhance the value of a nonfinancial asset, or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased and not

UNITED WAY OF DELAWARE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7 DONATED SERVICES AND MATERIALS (cont'd)

donated. The State of Delaware paid agencies, coaches, and consultants on behalf of the Organization as a part of the Stand by Me program. In addition, in-kind contributions of donated space and services were provided for the Delaware 2-1-1 program. Total in-kind contributions were valued and reflected in the financial statements at \$826,000 for the years ended June 30, 2021 and 2020.

NOTE 8 UNEMPLOYMENT INSURANCE

The Organization administers an unemployment insurance fund on behalf of several of its member agencies. The agencies make contributions to the fund and, in turn, unemployment expenses are paid by the fund. For the years ended June 30, 2021 and 2020, contributions to the unemployment fund totaled \$57,094 and \$127,668, respectively. Claims and advisory fees for the years ended June 30, 2021 and 2020 totaled \$28,281 and \$88,495, respectively.

NOTE 9 BOARD-DESIGNATED NET ASSETS

As of June 30, 2021 and 2020, a portion of net assets without donor restrictions has been designated by the Board of Directors for the following purposes:

	<u>2021</u>	<u>2020</u>
Building and equipment, net (see Note 5)	\$ 931,723	\$ 888,210
Endowment (see Note 10)	2,065,170	1,682,410
Other Board-designated	<u>669,679</u>	<u>669,679</u>
	<u>\$ 3,666,572</u>	<u>\$ 3,240,299</u>

NOTE 10 BOARD-DESIGNATED ENDOWMENT FUND

The Board of Directors established a general endowment fund to support the mission of the Organization. Since that amount resulted from an internal designation and is not donor-restricted, it is classified and reported as net assets without donor restrictions.

The administration of the endowment fund is overseen by the Delaware Community Foundation as approved by the Finance Committee.

UNITED WAY OF DELAWARE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10 BOARD-DESIGNATED ENDOWMENT FUND (cont'd)

Spending Policy

In order to meet the intended purpose of the endowment fund to fund community needs over time, an amount equal to five percent of the average balance of the last four quarters of the endowment fund shall be withdrawn in the first quarter of each calendar year. For this calculation, the endowment fund balance will be measured at the end of March, June, September, and December.

Strategy Employed for Achieving Objectives

Per the Organization's investment policy, the assets of the endowment fund shall be invested in a manner intended to maximize the total return of the fund over the long term. The assets shall be broadly diversified, with the assets divided among asset classes within the following ranges:

Equities	40% - 75%
Fixed income	20% - 50%
Cash equivalents	0% - 20%

Non-U.S. investments can comprise up to 25 percent of the total assets of the endowment fund.

The Investment Committee is charged with the responsibility of reviewing the endowment fund on an annual basis. This includes asset allocation, fund selection, investment performance, and adherence to policy limits.

Changes in endowment net assets for the years ended June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Endowment net assets, beginning of year	\$ 1,682,410	\$ 1,765,867
Investment income	27,922	35,433
Net (depreciation) appreciation	465,160	(9,383)
Amount appropriated for expense	(21,594)	(20,341)
Distributions	<u>(88,728)</u>	<u>(89,166)</u>
Endowment net assets, end of year	<u>\$ 2,065,170</u>	<u>\$ 1,682,410</u>

UNITED WAY OF DELAWARE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Time restrictions	\$ 150,163	\$ 12,050
Program restrictions	<u>5,648,716</u>	<u>5,137,906</u>
	<u>\$ 5,798,879</u>	<u>\$ 5,149,956</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrences of other events specified by donors as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Passage of time restrictions	<u>\$ 61,993</u>	<u>\$ 78,808</u>
Program restrictions	<u>\$ 5,822,022</u>	<u>\$ 5,323,922</u>

NOTE 12 CONCENTRATION OF CREDIT RISK

The Organization maintains its cash in three commercial banks located in Wilmington, Delaware which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. In addition, the Organization invests in repurchase agreements which are collateralized by investments in securities which are direct obligations of, or fully guaranteed as to principal and interest by, the U.S. government or an agency thereof. The Organization has not experienced any losses in such accounts.

NOTE 13 FAIR VALUE MEASUREMENTS

The Organization's investments are reported at fair value in the accompanying statement of financial position.

In accordance with the FASB ASC section regarding fair value measurements, a fair value hierarchy is established that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 is

UNITED WAY OF DELAWARE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13 FAIR VALUE MEASUREMENTS (cont'd)

based on observable market factors not included in Level 1; and Level 3 is based on unobservable inputs such as those that are internally developed. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

Fair values of assets measured on a recurring basis at June 30, 2021 and 2020 are as follows:

<u>June 30, 2021</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>
Fixed income	\$ 471,523	\$ 471,523	\$ -
Equities	1,879,245	1,879,245	-
Money market funds	68,514	68,514	-
Exchange-traded funds	209,166	209,166	-
Delaware Community Foundation Investment Pool	<u>2,065,170</u>	<u>-</u>	<u>2,065,170</u>
Total	<u>\$ 4,693,618</u>	<u>\$ 2,628,448</u>	<u>\$ 2,065,170</u>
<u>June 30, 2020</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>
Fixed income	\$ 588,302	\$ 588,302	\$ -
Equities	1,486,919	1,486,919	-
Money market funds	226,894	226,894	-
Exchange-traded funds	66,104	66,104	-
Delaware Community Foundation Investment Pool	<u>1,682,410</u>	<u>-</u>	<u>1,682,410</u>
Total	<u>\$ 4,050,629</u>	<u>\$ 2,368,219</u>	<u>\$ 1,682,410</u>

Level 2 Fair Value Measurements

The fair value of the investments with the Delaware Community Foundation are determined based on observable market factors not included in Level 1, such as quoted market prices for similar assets or liabilities in an active or non-active market. The Organization's portion of the investment pool is valued by the Delaware Community Foundation on a monthly basis. The investments in the pool are actively traded and valued using quoted market prices. However, since the investments are pooled funds, they are designated as Level 2 investments.

UNITED WAY OF DELAWARE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13 FAIR VALUE MEASUREMENTS (cont'd)

The Organization's financial assets consist of cash and cash equivalents, pledge receivables, and investments.

NOTE 14 LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Organization's financial assets as of June 30, 2021 and 2020, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts not available include amounts set aside by the Board that could be drawn upon if the governing board decides to approve such action.

	<u>2021</u>	<u>2020</u>
Financial assets, at year end	\$12,884,036	\$11,802,154
Less unavailable for general expenses within one year due to:		
Purpose restrictions	5,648,716	5,137,906
Time restrictions	150,163	12,050
Board designations	<u>2,734,849</u>	<u>2,352,089</u>
Financial assets available to meet cash needs for general expenses within one year	<u>\$ 4,350,308</u>	<u>\$ 4,300,109</u>

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 15 UNCERTAINTIES

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen that may negatively impact the Organization's income in fiscal year 2022. Other financial impact could occur though such potential impact is unknown at this time.

NOTE 16 SUBSEQUENT EVENTS

The Organization has evaluated all subsequent events through January 26, 2022, the date the financial statements were available to be issued.

**UNITED WAY OF DELAWARE, INC.
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021**

	<u>United Way of Delaware, Inc.</u>	<u>Delaware Helpline, Inc.</u>	<u>Eliminations</u>	<u>Consolidated Totals</u>
ASSETS				
Cash and cash equivalents	\$ 2,875,601	\$ 499,152	\$ -	\$ 3,374,753
Pledges receivable, net	4,815,665	-	-	4,815,665
Investments, at fair value	4,693,618	-	-	4,693,618
Building and equipment, net of accumulated depreciation	924,896	6,827	-	931,723
Other assets	483,487	54,331	(24,850)	512,968
TOTAL ASSETS	<u>\$ 13,793,267</u>	<u>\$ 560,310</u>	<u>\$ (24,850)</u>	<u>\$ 14,328,727</u>
 LIABILITIES AND NET ASSETS				
LIABILITIES:				
Distributions payable to agencies, including donor designations of \$2,416,298	\$ 3,342,974	\$ -	\$ -	\$ 3,342,974
Accounts payable and accrued expenses	567,021	85,039	(24,850)	627,210
Total Liabilities	<u>3,909,995</u>	<u>85,039</u>	<u>(24,850)</u>	<u>3,970,184</u>
 NET ASSETS:				
Without donor restrictions:				
Undesignated	424,648	468,444	-	893,092
Designated	3,659,745	6,827	-	3,666,572
Total Without Donor Restrictions	<u>4,084,393</u>	<u>475,271</u>	<u>-</u>	<u>4,559,664</u>
With donor restrictions	<u>5,798,879</u>	<u>-</u>	<u>-</u>	<u>5,798,879</u>
Total Net Assets	<u>9,883,272</u>	<u>475,271</u>	<u>-</u>	<u>10,358,543</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 13,793,267</u>	 <u>\$ 560,310</u>	 <u>\$ (24,850)</u>	 <u>\$ 14,328,727</u>

**UNITED WAY OF DELAWARE, INC.
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

	United Way of Delaware, Inc.		Delaware Helpline, Inc.		Consolidated Totals
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	Eliminations	
CAMPAIGN RESULTS					
Annual Campaign	\$ 9,142,406	\$ 1,705,412	\$ -	\$ -	\$ 10,847,818
Less: Amounts raised on behalf of others	(4,860,893)	(1,214,446)	-	-	(6,075,339)
	<u>\$ 4,281,513</u>	<u>\$ 490,966</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,772,479</u>
PASS THROUGH ACTIVITY					
Delaware State Nonprofit Support Program	\$ -	\$ 5,100,000	\$ -	\$ -	\$ 5,100,000
Less: Distributions	-	(5,100,000)	-	-	(5,100,000)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
PUBLIC SUPPORT AND REVENUE					
Campaign Public Support:					
Annual campaign - undesignated	\$ 4,281,513	\$ 490,966	\$ -	\$ -	\$ 4,772,479
Contributions released from restrictions	61,993	(61,993)	-	-	-
Total Undesignated Annual Campaign	4,343,506	428,973	-	-	4,772,479
Less: Provision for uncollectible pledges	(400,000)	-	-	-	(400,000)
Total Campaign Public Support	3,943,506	428,973	-	-	4,372,479
Grant revenue	-	5,430,905	-	-	5,430,905
Delaware 2-1-1 Program grants and contracts	-	-	1,082,022	(105,283)	976,739
Net assets released from restrictions	5,822,022	(5,822,022)	-	-	-
Total Public Support	<u>9,765,528</u>	<u>37,856</u>	<u>1,082,022</u>	<u>(105,283)</u>	<u>10,780,123</u>
Revenue:					
Administrative fees on amounts raised on behalf of others	455,948	-	-	-	455,948
Miscellaneous revenue	622,467	-	-	-	622,467
Unemployment revenue	57,094	-	-	-	57,094
Total Revenue	<u>1,135,509</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,135,509</u>
TOTAL PUBLIC SUPPORT AND REVENUE	<u>10,901,037</u>	<u>37,856</u>	<u>1,082,022</u>	<u>(105,283)</u>	<u>11,915,632</u>
EXPENSES					
Campaign operating costs	2,199,790	-	-	-	2,199,790
Program costs	9,608,033	-	849,516	(105,283)	10,352,266
TOTAL EXPENSES	<u>11,807,823</u>	<u>-</u>	<u>849,516</u>	<u>(105,283)</u>	<u>12,552,056</u>
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	<u>(906,786)</u>	<u>37,856</u>	<u>232,506</u>	<u>-</u>	<u>(636,424)</u>

(Continued on next page.)

**UNITED WAY OF DELAWARE, INC.
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

	United Way of Delaware, Inc.		Delaware Helpline, Inc.	Eliminations	Consolidated Totals
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions		
NONOPERATING ACTIVITIES					
Investment income	474,064	611,067	-	-	1,085,131
Total Nonoperating Activities	<u>474,064</u>	<u>611,067</u>	<u>-</u>	<u>-</u>	<u>1,085,131</u>
CHANGE IN NET ASSETS	(432,722)	648,923	232,506	-	448,707
NET ASSETS, BEGINNING OF YEAR	<u>4,517,115</u>	<u>5,149,956</u>	<u>242,765</u>	<u>-</u>	<u>9,909,836</u>
NET ASSETS, END OF YEAR	<u><u>\$ 4,084,393</u></u>	<u><u>\$ 5,798,879</u></u>	<u><u>\$ 475,271</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 10,358,543</u></u>

**UNITED WAY OF DELAWARE, INC.
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021**

	United Way of Delaware, Inc.	Delaware Helpline, Inc.	Eliminations	Consolidated Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Change in net assets	\$ 216,201	\$ 232,506	\$ -	\$ 448,707
Adjustments to reconcile change in net assets to net cash used by operating activities:				
Depreciation	135,451	2,836	-	138,287
Net unrealized and realized gains on investments	(1,024,018)	-	-	(1,024,018)
Increase in pledges receivable	(343,844)	-	-	(343,844)
Increase in allowance for pledges receivable	400,000	-	-	400,000
Decrease (Increase) in other assets	(139,201)	88,380	7,611	(43,210)
Increase in allocations payable to agencies	413,501	-	-	413,501
Increase in accounts payable and accrued expenses	284,923	29,085	(7,611)	306,397
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	<u>(56,987)</u>	<u>352,807</u>	<u>-</u>	<u>295,820</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of equipment	(181,800)	-	-	(181,800)
Purchase of investments	(90,458)	-	-	(90,458)
Proceeds from sales of investments	471,487	-	-	471,487
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>199,229</u>	<u>-</u>	<u>-</u>	<u>199,229</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	142,242	352,807	-	495,049
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,733,359</u>	<u>146,345</u>	<u>-</u>	<u>2,879,704</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,875,601</u>	<u>\$ 499,152</u>	<u>\$ -</u>	<u>\$ 3,374,753</u>
SUPPLEMENTAL INFORMATION:				
Interest paid	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>