

**UNITED WAY OF WEST CENTRAL  
CONNECTICUT, INC.**  
*Financial Statements*  
**June 30, 2014**

**UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.**

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
United Way of West Central Connecticut, Inc  
Bristol, Connecticut

We have audited the accompanying financial statements of United Way of West Central Connecticut, Inc., (a nonprofit organization) which comprise the statement of financial position as of June 30, 2014, and the related statements of activities and changes in net assets and cash flows for the fiscal year then ended, and the related notes to the financial statements. The prior year summarized information has been derived from the organization's fiscal year ended June 30, 2013, financial statements and, in our report dated October 28, 2013, we expressed an unqualified opinion on those statements.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of West Central Connecticut, Inc., as June 30, 2014, and the changes in its net assets and its cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of allocations to agencies on Schedules I, II, and III are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Kircaldie Randall & McNab LLC*

North Haven, Connecticut  
November 24, 2014

**UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2014**

*(with summarized financial information for June 30, 2013)*

|  | <b>2014</b>         |                     |                     | <b>2013</b>         |
|--|---------------------|---------------------|---------------------|---------------------|
|  | Operations          | Building            | Total               | Total               |
| <b>ASSETS</b>                                |                     |                     |                     |                     |
| <b>Current assets:</b>                       |                     |                     |                     |                     |
| Cash and cash equivalents                    | \$ 277,165          | \$ 1,077            | \$ 278,242          | \$ 383,473          |
| Cash-invested                                | 148,895             | 0                   | 148,895             | 149,358             |
| Investments, at market values                | 890,054             | 0                   | 890,054             | 853,891             |
| Pledges receivable                           | 604,163             | 0                   | 604,163             | 791,818             |
| Other receivable                             | 66,480              | (66,480)            | 0                   | 0                   |
| Other current assets                         | 3,974               | 1,526               | 5,500               | 8,395               |
| Total current assets                         | <u>\$ 1,990,731</u> | <u>\$ (63,877)</u>  | <u>\$ 1,926,854</u> | <u>\$ 2,186,935</u> |
| <b>Plant and Equipment:</b>                  |                     |                     |                     |                     |
| Plant and equipment                          | \$ 68,146           | \$ 478,392          | \$ 546,538          | \$ 542,118          |
| Less - Accumulated depreciation              | 63,114              | 129,559             | 192,673             | 176,432             |
| Less - Impairment loss                       |                     | 198,000             | 198,000             | 0                   |
| Net plant and equipment                      | <u>\$ 5,032</u>     | <u>\$ 150,833</u>   | <u>\$ 155,865</u>   | <u>\$ 365,686</u>   |
| Total assets                                 | <u>\$ 1,995,763</u> | <u>\$ 86,956</u>    | <u>\$ 2,082,719</u> | <u>\$ 2,552,621</u> |
| <b>LIABILITIES</b>                           |                     |                     |                     |                     |
| <b>Current liabilities:</b>                  |                     |                     |                     |                     |
| Allocations payable to designated agencies   | \$ 699,115          | \$ 0                | \$ 699,115          | \$ 936,426          |
| Mortgage payable-due within one year         | 0                   | 8,008               | 8,008               | 7,600               |
| Notes payable                                | 0                   | 0                   | 0                   | 1,271               |
| Accounts payable                             | 9,732               | 7,725               | 17,457              | 13,587              |
| Due to affiliates                            | 4,289               | 0                   | 4,289               | 8,756               |
| Total current liabilities                    | <u>\$ 713,136</u>   | <u>\$ 15,733</u>    | <u>\$ 728,869</u>   | <u>\$ 967,640</u>   |
| <b>Long term liabilities</b>                 |                     |                     |                     |                     |
| Notes payable                                | 0                   | 0                   | 0                   | 0                   |
| Mortgage payable                             | 0                   | 182,478             | 182,478             | 190,320             |
| Total liabilities                            | <u>\$ 713,136</u>   | <u>\$ 198,211</u>   | <u>\$ 911,347</u>   | <u>\$ 1,157,960</u> |
| <b>NET ASSETS</b>                            |                     |                     |                     |                     |
| <b>Net assets:</b>                           |                     |                     |                     |                     |
| <b>Unrestricted:</b>                         |                     |                     |                     |                     |
| Unappropriated                               | \$ 708,839          | \$ (161,255)        | \$ 547,584          | \$ 691,211          |
| Designated-Investment in plant and equipment | 5,032               | 0                   | 5,032               | 3,855               |
| Designated-Board community initiatives       | 85,574              | 0                   | 85,574              | 176,477             |
| Total unrestricted net assets                | <u>\$ 799,445</u>   | <u>\$ (161,255)</u> | <u>\$ 638,190</u>   | <u>\$ 871,543</u>   |
| <b>Temporarily restricted:</b>               | 142,395             | 50,000              | 192,395             | 182,331             |
| <b>Permanently restricted:</b>               | 340,787             | 0                   | 340,787             | 340,787             |
| Total net assets                             | <u>\$ 1,282,627</u> | <u>\$ (111,255)</u> | <u>\$ 1,171,372</u> | <u>\$ 1,394,661</u> |
| Total liabilities and net assets             | <u>\$ 1,995,763</u> | <u>\$ 86,956</u>    | <u>\$ 2,082,719</u> | <u>\$ 2,552,621</u> |

KIRCALDIE, RANDALL & MGNAB LLC

**UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

*(with summarized financial information for the year ended June 30, 2013)*

|   | 2014                |                                   |                                   | 2013                       |                            |
|---|---------------------|-----------------------------------|-----------------------------------|----------------------------|----------------------------|
|   | <u>Unrestricted</u> | <u>Temporarily<br/>Restricted</u> | <u>Permanently<br/>Restricted</u> | <u>Combined<br/>Totals</u> | <u>Combined<br/>Totals</u> |
| <b>Revenues, Gains, and Other Support:</b>        |                     |                                   |                                   |                            |                            |
| <b>Campaign applicable to current period:</b>     |                     |                                   |                                   |                            |                            |
| Contributions                                     |                     |                                   |                                   |                            |                            |
| Campaign  | \$ 697,335          | \$ 53,064                         | \$ 0                              | \$ 750,399                 | \$ 919,703                 |
| Net assets released from restriction              | 43,000              | (43,000)                          | 0                                 | 0                          | 0                          |
| Gross Contributions                               | <u>\$ 740,335</u>   | <u>\$ 10,064</u>                  | <u>\$ 0</u>                       | <u>\$ 750,399</u>          | <u>\$ 919,703</u>          |
| Uncollectible pledge expense                      | (18,010)            | 0                                 | 0                                 | (18,010)                   | (59,923)                   |
| Net Contributions                                 | <u>\$ 722,325</u>   | <u>\$ 10,064</u>                  | <u>\$ 0</u>                       | <u>\$ 732,389</u>          | <u>\$ 859,780</u>          |
| <b>Other Support:</b>                             |                     |                                   |                                   |                            |                            |
| Special contributions                             | \$ 184,289          | \$ 0                              | \$ 0                              | \$ 184,289                 | \$ 172,679                 |
| Interest and investment income                    | 68,839              | 0                                 | 0                                 | 68,839                     | 25,003                     |
| Support activities income                         | 51,094              | 0                                 | 0                                 | 51,094                     | 32,441                     |
| Administrative fees                               | 8,917               | 0                                 | 0                                 | 8,917                      | 13,203                     |
| Miscellaneous income                              | 5,635               | 0                                 | 0                                 | 5,635                      | 0                          |
| Total other support                               | <u>\$ 318,774</u>   | <u>\$ 0</u>                       | <u>\$ 0</u>                       | <u>\$ 318,774</u>          | <u>\$ 243,326</u>          |
| Total revenue                                     | <u>\$ 1,041,099</u> | <u>\$ 10,064</u>                  | <u>\$ 0</u>                       | <u>\$ 1,051,163</u>        | <u>\$ 1,103,106</u>        |
| <b>Allocations and Other Functional Expenses:</b> |                     |                                   |                                   |                            |                            |
| <b>Allocations:</b>                               |                     |                                   |                                   |                            |                            |
| Allocations to agencies from campaign             | \$ 338,726          | \$ 0                              | \$ 0                              | \$ 338,726                 | \$ 391,616                 |
| Special allocations                               | 145,655             | 0                                 | 0                                 | 145,655                    | 206,094                    |
| Designations by Donors                            | 110,944             | 0                                 | 0                                 | 110,944                    | 122,965                    |
| Total allocations                                 | <u>\$ 595,325</u>   | <u>\$ 0</u>                       | <u>\$ 0</u>                       | <u>\$ 595,325</u>          | <u>\$ 720,675</u>          |
| <b>Other functional expenses:</b>                 |                     |                                   |                                   |                            |                            |
| Allocations and Agency relations                  | \$ 67,190           | \$ 0                              | \$ 0                              | \$ 67,190                  | \$ 65,739                  |
| Community Services                                | 122,528             | 0                                 | 0                                 | 122,528                    | 119,963                    |
| Bristol Discovery Grant Initiative                | 54,413              | 0                                 | 0                                 | 54,413                     | 49,937                     |
| Plymouth Discovery Grant Initiative               | 55,086              | 0                                 | 0                                 | 55,086                     | 46,950                     |
| Total program services expenses                   | <u>\$ 299,217</u>   | <u>\$ 0</u>                       | <u>\$ 0</u>                       | <u>\$ 299,217</u>          | <u>\$ 282,589</u>          |
| Fund raising                                      | \$ 77,047           | \$ 0                              | \$ 0                              | 77,047                     | 77,914                     |
| Management and general                            | 99,729              | 0                                 | 0                                 | 99,729                     | 98,105                     |
| Total support services expenses                   | <u>\$ 176,776</u>   | <u>\$ 0</u>                       | <u>\$ 0</u>                       | <u>\$ 176,776</u>          | <u>\$ 176,019</u>          |
| Total other functional expenses                   | <u>\$ 475,993</u>   | <u>\$ 0</u>                       | <u>\$ 0</u>                       | <u>\$ 475,993</u>          | <u>\$ 458,608</u>          |
| Total allocations and expenses                    | <u>\$ 1,071,318</u> | <u>\$ 0</u>                       | <u>\$ 0</u>                       | <u>\$ 1,071,318</u>        | <u>\$ 1,179,283</u>        |
| <b>Change in Net Assets from Operations</b>       | <u>\$ (30,219)</u>  | <u>\$ 10,064</u>                  | <u>\$ 0</u>                       | <u>\$ (20,155)</u>         | <u>\$ (76,177)</u>         |
| Net rental income, per schedule                   | (34,372)            | 0                                 | 0                                 | (34,372)                   | (14,278)                   |
| Unrealized gain and (losses) from investments     | 29,238              | 0                                 | 0                                 | 29,238                     | 46,234                     |
| Impairment loss                                   | (198,000)           | 0                                 | 0                                 | (198,000)                  | 0                          |
| <b>Change in Net Assets</b>                       | <u>\$ (233,353)</u> | <u>\$ 10,064</u>                  | <u>\$ 0</u>                       | <u>\$ (223,289)</u>        | <u>\$ (44,221)</u>         |
| <b>Net Assets, beginning of year</b>              | 871,543             | 182,331                           | 340,787                           | 1,394,661                  | 1,438,882                  |
| <b>Net Assets, end of year</b>                    | <u>\$ 638,190</u>   | <u>\$ 192,395</u>                 | <u>\$ 340,787</u>                 | <u>\$ 1,171,372</u>        | <u>\$ 1,394,661</u>        |

KIRCALDIE, RANDALL & McNAB LLC

**UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**  
*(with summarized financial information for the year ended June 30, 2013)*

|  | PROGRAM SERVICES                       |                       |                               |                                |            | SUPPORT SERVICES |                |            | 2014<br>TOTAL | 2013<br>TOTAL |
|--|--|-----------------------|-------------------------------|--------------------------------|------------|------------------|----------------|------------|---------------|---------------|
|  | ALLOCATIONS<br>AND AGENCY<br>RELATIONS | COMMUNITY<br>SERVICES | BRISTOL<br>DISCOVERY<br>GRANT | PLYMOUTH<br>DISCOVERY<br>GRANT | TOTAL      | FUND<br>RAISING  | AND<br>GENERAL | TOTAL      |               |               |
| ALLOCATIONS TO AGENCIES  | \$ 338,726                             |                       |                               |                                | \$ 338,726 |                  |                |            | \$ 338,726    | \$ 391,616    |
| SPECIAL ALLOCATIONS  | \$ 145,655                             |                       |                               |                                | \$ 145,655 |                  |                |            | \$ 145,655    | \$ 206,094    |
| DESIGNATIONS BY DONORS   | \$ 110,944                             |                       |                               |                                | \$ 110,944 |                  |                |            | \$ 110,944    | \$ 122,965    |
| <b>COMMUNITY &amp; AGENCY SERVICES PROVIDED BY THE UNITED WAY:</b> |  |                       |                               |                                |            |                  |                |            |               |               |
| <b>SALARIES AND RELATED EXPENSES:</b>                              |  |                       |                               |                                |            |                  |                |            |               |               |
| Salaries   | \$ 39,173                              | \$ 72,811             | \$ 0                          | \$ 0                           | \$ 111,984 | \$ 29,441        | \$ 51,475      | \$ 80,916  | \$ 192,900    | \$ 184,685    |
| Employee Benefits  | 6,657                                  | 11,592                | 0                             | 0                              | 18,249     | 7,617            | 11,814         | 19,431     | 37,680        | 34,611        |
| Payroll Taxes  | 3,665                                  | 6,382                 | 0                             | 0                              | 10,047     | 4,193            | 6,503          | 10,696     | 20,743        | 20,181        |
| Total salaries and related expenses                                | \$ 49,495                              | \$ 90,785             | \$ 0                          | \$ 0                           | \$ 140,280 | \$ 41,251        | \$ 69,792      | \$ 111,043 | \$ 251,323    | \$ 239,477    |
| <b>OTHER EXPENSES:</b>   |  |                       |                               |                                |            |                  |                |            |               |               |
| Accounting Services  | \$ 1,072                               | \$ 2,144              | \$ 0                          | \$ 0                           | 3,216      | \$ 1,787         | \$ 2,144       | 3,931      | \$ 7,147      | \$ 8,281      |
| Conferences and Meetings   | 313                                    | 626                   | 1,796                         | 0                              | 2,735      | 522              | 626            | 1,148      | 3,883         | 6,552         |
| Office Supplies & Expenses   | 2,690                                  | 5,380                 | 22,444                        | 1,954                          | 32,468     | 4,483            | 5,380          | 9,863      | 42,331        | 47,687        |
| Publicity and promotion  | 3,651                                  | 3,651                 | 0                             | 0                              | 7,302      | 5,002            | 0              | 5,002      | 12,304        | 13,489        |
| Rent   | 4,081                                  | 8,165                 | 0                             | 0                              | 12,246     | 6,805            | 8,165          | 14,970     | 27,216        | 27,305        |
| Telephone  | 399                                    | 798                   | 0                             | 0                              | 1,197      | 666              | 798            | 1,464      | 2,661         | 2,520         |
| Postage  | 1,458                                  | 2,916                 | 0                             | 0                              | 4,374      | 2,430            | 2,916          | 5,346      | 9,720         | 7,672         |
| Professional Fees  | 3,143                                  | 6,285                 | 0                             | 100                            | 9,528      | 5,238            | 6,285          | 11,523     | 21,051        | 30,290        |
| Youth Board Coordinator  | 0                                      | 0                     | 30,173                        | 53,032                         | 83,205     | 0                | 0              | 0          | 83,205        | 58,776        |
| Insurance  | 402                                    | 805                   | 0                             | 0                              | 1,207      | 670              | 805            | 1,475      | 2,682         | 2,455         |
| Membership fees  | 0                                      | 0                     | 0                             | 0                              | 0          | 7,382            | 1,845          | 9,227      | 9,227         | 9,845         |
| Total other expenses   | \$ 17,209                              | \$ 30,770             | \$ 54,413                     | \$ 55,086                      | \$ 157,478 | \$ 34,985        | \$ 28,964      | \$ 63,949  | \$ 221,427    | \$ 214,872    |
| Depreciation   | 486                                    | 973                   | 0                             | 0                              | 1,459      | 811              | 973            | 1,784      | 3,243         | 4,259         |
| Total community and agency services expenses                       | \$ 67,190                              | \$ 122,528            | \$ 54,413                     | \$ 55,086                      | \$ 299,217 | \$ 77,047        | \$ 99,729      | \$ 176,776 | \$ 475,993    | \$ 458,608    |
| Total  | \$ 662,515                             | \$ 122,528            | \$ 54,413                     | \$ 55,086                      | \$ 894,542 | \$ 77,047        | \$ 99,729      | \$ 176,776 | \$ 1,071,318  | \$ 1,179,283  |

**UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
*(with summarized financial information for the year ended June 30, 2013)*

|   | <u>2014</u>              | <u>2013</u>              |
|---|--------------------------|--------------------------|
| <b>Cash Flows From Operating Activities:</b>        |                          |                          |
| Changes in Net Assets                               | \$ (223,289)             | \$ (44,221)              |
| Adjustments to reconcile changes in net assets:     |                          |                          |
| Depreciation  | 16,241                   | 17,257                   |
| Unrealized (gains) losses on investments            | (29,238)                 | (46,234)                 |
| Realized (gains) losses on investments              | 10,559                   | 8,822                    |
| Impairment loss                                     | 198,000                  | 0                        |
| Pledges receivable                                  | 187,655                  | 28,698                   |
| Other current assets                                | 2,895                    | (3,754)                  |
| Allocations payable                                 | (237,311)                | 51,297                   |
| Accounts payable                                    | 3,870                    | (4,663)                  |
| Due to affiliates                                   | (4,467)                  | (806)                    |
| Net cash provided (used) by operating activities    | <u>\$ (75,085)</u>       | <u>\$ 6,396</u>          |
| <b>Cash Flows From Investing Activities:</b>        |                          |                          |
| Purchase of plant and equipment                     | \$ (4,420)               | \$ 0                     |
| Purchase of investments                             | (238,221)                | (189,278)                |
| Change in cash invested                             | 463                      | (470)                    |
| Redemptions of investments                          | 220,737                  | 170,775                  |
| Net cash (used) by investing activities             | <u>\$ (21,441)</u>       | <u>\$ (18,973)</u>       |
| <b>Cash Flows From Financing Activities:</b>        |                          |                          |
| Payments on note payable                            | \$ (1,271)               | \$ (3,049)               |
| Payments on mortgage payable                        | (7,434)                  | (6,895)                  |
| Net cash provided (used) by financing activities    | <u>\$ (8,705)</u>        | <u>\$ (9,944)</u>        |
| <b>Net increase (decrease) in cash</b>              | <b>\$ (105,231)</b>      | <b>\$ (22,521)</b>       |
| <b>Cash and cash equivalents, beginning of year</b> | <b>383,473</b>           | <b>405,994</b>           |
| <b>Cash and cash equivalents, end of year</b>       | <u><b>\$ 278,242</b></u> | <u><b>\$ 383,473</b></u> |
| <b>Supplemental Disclosures of Cash Flows:</b>      |                          |                          |
| Interest paid                                       | <u>\$ 10,432</u>         | <u>\$ 10,898</u>         |



**UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

United Way of West Central Connecticut, Inc. supports twenty-one local non-profit agency programs as well as several targeted collaborative community initiatives that provide services in the towns of Bristol, Burlington, Plainville, and Plymouth.

The United Way of West Central Connecticut, Inc., is a not-for-profit voluntary health and human service agency established to increase the overall quality of life for those in the region. To accomplish its mission, the United Way of West Central Connecticut, Inc., conducts fundraising campaigns and activities, and distributes resources to various agencies and community collaborations that are involved in providing human services throughout the towns of Bristol, Burlington, Plainville, and Plymouth.

The United Way of West Central Connecticut's primary funding source is donor contributions from donors who live or work in the region.

**NOTE 1 - BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**Basis of Presentation**

The financial statements of the United Way of West Central Connecticut, Inc. (the "United Way") have been prepared in conformity with the Not-for-Profit Organization Audit and Accounting Guide published by the American Institute of Certified Public Accountants.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements for not-for-profit organizations. Under SFAS No. 117, the organization is required to report information regarding the United Way's financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the United Way of West Central Connecticut, Inc. and changes therein are classified and reported as either: unrestricted net assets, temporarily restricted net assets, or permanently restricted net assets.

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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended June 30, 2013, from which the summarized information was derived.

**UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**Summary of Significant Accounting Policies**

The significant accounting policies by the United Way of West Central Connecticut, Inc. are described below to enhance the usefulness of the financial statements to the reader.

**Cash and cash equivalents**

Cash and cash equivalents consists of the following at June 30, 2014 and 2013;

|  | <b><u>2014</u></b>    | <b><u>Interest</u></b> | <b><u>2013</u></b>    | <b><u>Interest</u></b> |
|--|-----------------------|------------------------|-----------------------|------------------------|
|  | <b><u>Balance</u></b> | <b><u>Rate</u></b>     | <b><u>Balance</u></b> | <b><u>Rate</u></b>     |
| Unrestricted                                 |                       |                        |                       |                        |
| Petty cash                                   | \$ 400                | 0.00%                  | \$ 400                | 0.00%                  |
| Cash-Checking-Webster Bank                   | 40,711                | 0.00%                  | 14,490                | 0.00%                  |
| Cash-Money Market-Webster Bank               | 5,054                 | 0.10%                  | 35,054                | 0.10%                  |
| Cash-Savings-Webster Bank                    | 16,592                | 0.01%                  | 15,221                | 0.01%                  |
| Cash-CD Savings-Thomaston Bank               | 54,342                | 0.25%                  | 54,207                | 0.25%                  |
| Cash-CD Savings-Thomaston Bank               | 75,472                | 0.25%                  | 75,284                | 0.25%                  |
| Cash-CD Savings Farmington Bank              | 4,739                 | 0.22%                  | 58,167                | 0.28%                  |
| Total unrestricted                           | <u>\$ 197,310</u>     |                        | <u>\$ 252,823</u>     |                        |
| Restricted Cash                              |                       |                        |                       |                        |
| Cash-Savings-Webster Bank-Barnes<br>Campaign | <u>\$ 74,219</u>      | 0.02%                  | <u>\$ 122,858</u>     | 0.02%                  |
| Custodial Cash                               |                       |                        |                       |                        |
| Cash-Checking-Thomaston Bank-PECC            | 5,636                 | 0.00%                  | 0                     | 0.00%                  |
| Cash-Checking-United Bank-Rental             | 1,077                 | 0.00%                  | 7,792                 | 0.00%                  |
| Total custodial cash                         | <u>\$ 6,713</u>       |                        | <u>\$ 7,792</u>       |                        |
| Total cash and equivalents                   | <u>\$ 278,242</u>     |                        | <u>\$ 383,473</u>     |                        |

For the purposes of the statement of cash flows, the United Way of West Central Connecticut, Inc. considers all cash and other highly liquid investments with initial maturities of six months or less to be cash equivalents.

Cash invested, which is cash invested for more than six months, consists of the following at June 30, 2014 and 2013;

|                                     | <b><u>2014</u></b>    | <b><u>Interest</u></b> | <b><u>2013</u></b>    | <b><u>Interest</u></b> |
|-------------------------------------|-----------------------|------------------------|-----------------------|------------------------|
|                                     | <b><u>Balance</u></b> | <b><u>Rate</u></b>     | <b><u>Balance</u></b> | <b><u>Rate</u></b>     |
| Invested Cash                       |                       |                        |                       |                        |
| Cash-CD Savings-Farmington Bank     | \$ 36,069             | 0.40%                  | \$ 35,924             | 0.57%                  |
| Cash-CD Savings-Farmington Bank     | 60,930                | 0.25%                  | 60,722                | 0.45%                  |
| Cash-Savings-United Bank-Campership | 51,896                | 0.80%                  | 52,712                | 0.80%                  |
| Total invested cash                 | <u>\$ 148,895</u>     |                        | <u>\$ 149,358</u>     |                        |

**UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**Investments**

Investments are stated at fair market value, in accordance with Financial Accounting Standards Board Statement Opinion No. 124-Accounting for certain investments held by not-for-profit organizations. Unrealized gains and losses are included in the changes in net assets in the accompanying statement of activities. At June 30, 2014, the Investments held had a cost value of \$827,396 and a market value of \$890,054 having an unrealized gain at June 30, 2014, of \$62,658. At June 30, 2013, the Investments held had a cost of \$820,471 and a market value of \$853,891 resulting in an unrealized gain at June 30, 2013, of \$33,420.

**Public Support Recognition**

Fund-raising campaigns are conducted in the fall of each year to raise funds to be allocated to participating agencies in the following fiscal year. All contributions are considered available for unrestricted use unless specifically restricted by the donor as to the use of the donated assets. The public support income recognized in each fiscal year is from the campaign which occurred in the current fiscal year. Pledges are recorded in the balance sheet as receivables, and allowances are provided for amounts estimated to be uncollectible for each pledge year.

Any donations received by June 30, relating to the subsequent year's campaign are recorded as temporarily restricted net assets.

**Property and Equipment**

Property and equipment are recorded at cost or, if donated, at the estimated fair market value upon receipt. Maintenance, repairs, and renewals which neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred.

**Depreciation**

Depreciation is provided on the straight-line method over the estimated useful lives of the related assets (5-40 years).

**Donated Materials and Services**

Donated materials and equipment are recorded as contributions at their estimated values at date of receipt. Also, a substantial number of volunteers donated significant amounts of their time in the United Way's fundraising and other activities. No amounts have been reflected in the financial statements for donated services since no objective basis is available to measure the value of such services.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles 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 WEST CENTRAL CONNECTICUT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**Contributions**

Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value.

**Unpaid Allocations and Accrued Administration and Community Service Expenses**

Unpaid allocations related to the public support recognized in the fiscal year 2014 (Fall 2013 campaign) have been accrued at June 30, 2014, and public support recognized in the fiscal year 2013 (Fall 2012 campaign) have been accrued at June 30, 2013, in order to match allocations and expenses with pledge income from the Fall campaigns.

Board-designated Community Initiative funding is approved on an on-going basis during the June 30, 2015 fiscal year even though the income providing this funding is recognized as revenue in the June 30, 2014 period. Accordingly, these amounts of Initiative funding cannot be accrued as an allocation as of June 30, 2014.

**Tax Exempt Status**

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi). Being that the United Way is exempt from federal, state and local income taxes, no provision for income taxes are included in the financial statements.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for years prior to 2010 and that income tax filing positions would be sustained upon examination and does not anticipate any adjustments that would result in a material adverse affect on the Organization's financial condition, results of operations or cash flows.

**Provision for Uncollectible**

The provision for uncollectible pledges is computed based upon Management's estimates of current economic factors, applied to the gross campaign.

**UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses, and the statement of support, revenue, expenses and changes in fund balances. Accordingly, certain costs have been allocated among the program and support services benefitted as follows:

Expenses are charged directly to program or management in general categories based on specified identification. Indirect expenses have been allocated based upon percentages set up by management to approximate time spent by personnel in the following areas of Program Functions: Allocations and Agency Relations, Community Services, Bristol Discovery Grant, Plymouth Discovery Grant, Fund Raising, and Management and General.

**Recognition of Donor Restricted Contributions**

Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

**Reclassifications**

Certain accounts in the 2013 financial statements have been reclassified for comparative purposes to conform with the presentation in the current fiscal years financial statements.

**NOTE 2 - PLEDGE RECEIVABLE:**

Pledge receivables for the fiscal years ended June 30, 2014 and 2013 are as follows:

|   | <b><u>2014</u></b> | <b><u>2013</u></b> |
|---|--------------------|--------------------|
| Outstanding Pledges:                      |                    |                    |
| 2013 Campaign                             | \$ 336,465         | \$                 |
| 2012 Campaign                             | 71,084             | 382,460            |
| 2011 Campaign                             | <u>        </u>    | <u>60,360</u>      |
| Total Pledge receivable                   | <u>\$ 407,549</u>  | <u>\$ 442,820</u>  |
| Allowance for Uncollectible:              |                    |                    |
| 2013 Campaign                             | \$ 40,000          | \$                 |
| 2012 Campaign                             | 40,000             | 40,000             |
| 2011 Campaign                             | <u>        </u>    | <u>40,000</u>      |
| Total allowance                           | <u>\$ 80,000</u>   | <u>\$ 80,000</u>   |
| Net United Way campaign pledge receivable | \$ 327,549         | \$ 362,820         |
| Barnes National Pledge campaign           | <u>276,614</u>     | <u>412,998</u>     |
| Net operating pledge receivable           | \$ 604,163         | \$ 775,818         |
| Building purchase campaign                | <u>0</u>           | <u>16,000</u>      |
| Net pledge receivable                     | <u>\$ 604,163</u>  | <u>\$ 791,818</u>  |

**UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 - DONOR DIRECTED GIFTS:**

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

United Way Worldwide membership criteria require local United Ways charge donors no more than the actual cost incurred to process and transfer their designated gifts to the agency of their choice. The expenses incurred for the processing of donor directed gifts include, but are not limited to:

- Verification of designated agencies 501(c)(3) status;
- Agency certification;
- Maintenance of the database;
- Recording individual donor directed gift data;
- Quality reports with detailed information;
- Notification of payments forwarded to agencies receiving donor dollars.

Donor directed gift expenses (the costs incurred in processing/transferring designations) do not qualify and are not reported as community investment and program services.

Donor directed gifts of \$110,944 and \$122,965 at June 30, 2014 and 2013, respectively, are shown as a reduction in the amount reported as campaign amounts raised.

**NOTE 4 - EMPLOYMENT BENEFIT PLAN:**

**Defined Contribution Plan:**

The United Way of West Central Connecticut, Inc. adopted a Defined Contribution Plan, which covers substantially all employees. Contributions to the plan are made by the United Way of West Central Connecticut, Inc. the employer, on behalf of the participant, at a rate set by the United Way's Board of Directors, and is subject to revision at the Board's discretion.

The total pension expense for 2014 and 2013, amounted to \$15,302 and \$15,980, respectively.

**NOTE 5 - PLANT AND EQUIPMENT:**

Equipment and fixtures, at cost or if donated at estimated fair market value upon receipt, consist of the following:

|                                | <u>2014</u>       |                   |                  |
|--------------------------------|-------------------|-------------------|------------------|
|                                | <u>Operations</u> | <u>Building</u>   | <u>Total</u>     |
| Land                           | \$                | \$ 8,800          | \$ 8,800         |
| Building                       |                   | 49,384            | 49,384           |
| Building Improvements          |                   | 380,119           | 380,119          |
| Furniture                      |                   | 24,603            | 24,603           |
| Equipment                      | <u>68,146</u>     | <u>15,486</u>     | <u>83,632</u>    |
|                                | \$ 68,146         | \$ 478,392        | \$546,538        |
| Less, accumulated depreciation | 63,114            | 129,559           | 192,673          |
| Less, Impairment loss          | <u>0</u>          | <u>198,000</u>    | <u>198,000</u>   |
| Net plant and equipment        | <u>\$ 5,032</u>   | <u>\$ 150,833</u> | <u>\$155,865</u> |

**UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

|                                | <b>2013</b>              |                        |                     |
|--------------------------------|--------------------------|------------------------|---------------------|
|                                | <b><u>Operations</u></b> | <b><u>Building</u></b> | <b><u>Total</u></b> |
| Land                           | \$                       | \$ 8,800               | \$ 8,800            |
| Building                       |                          | 49,384                 | 49,384              |
| Building Improvements          |                          | 380,119                | 380,119             |
| Furniture                      |                          | 24,603                 | 24,603              |
| Equipment                      |                          | <u>15,486</u>          | <u>79,212</u>       |
|                                | <u>\$ 63,726</u>         | <u>\$ 478,392</u>      | <u>\$542,118</u>    |
| Less, accumulated depreciation | <u>59,871</u>            | <u>116,561</u>         | <u>176,432</u>      |
| Net plant and equipment        | <u>\$ 3,855</u>          | <u>\$ 361,831</u>      | <u>\$365,686</u>    |

During the 2014 fiscal year, the United Way added the following items to their plant and equipment: \$4,420 for new computer equipment. The United Way has recognized in the June 30, 2014 an impairment loss on the building and land due to an impending sale. The market value has significantly declined. See Note 18 for expanded explanation.

There was no old equipment that was retired in the June 30, 2014 fiscal year.

During the 2013 fiscal year, the United Way did not add to their plant and equipment.

There was no old equipment retired during the June 30, 2013, fiscal year end.

Depreciation expense for the years ended June 30, 2014 and 2013, as follows:

|                            | <b><u>2014</u></b> | <b><u>2013</u></b> |
|----------------------------|--------------------|--------------------|
| Operations                 | \$ 3,243           | \$ 4,259           |
| Building                   | <u>12,998</u>      | <u>12,998</u>      |
| Total depreciation expense | <u>\$ 16,241</u>   | <u>\$ 17,257</u>   |

**NOTE 6 - PROPERTY LEASES:**

The United Way occupies its office facilities, which it owns and leases out space to two other not-for-profit community organizations. These organizations have signed 10 year leases for office space, which will expire in August of 2015. The leases have a fixed basic monthly rent payment, and a variable rent component that is reviewed and adjusted annually based upon the operating costs of the prior year.

The rental income collected from all tenants for the year ended June 30, 2014, was \$72,336. There was \$72,093 rent collected in the June 30, 2013 fiscal year end.

**NOTE 7 - UNINSURED CASH BALANCES:**

The United Way of West Central Connecticut, Inc. maintains their cash in bank deposits at three (3) high credit quality financial institutions. The balance at times, may exceed federally insured limits. At June 30, 2014 and June 30, 2013, the cash balances did not exceed the insured limit of \$250,000.

**UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 - DUE TO AFFILIATES:**

Due to affiliates consists of dues payable to the United Way's national organization, the United Way Worldwide.

**NOTE 9 - INVESTMENTS:**

The following is a list of investments, by account, held by the United Way, at June 30, 2014 and 2013:

|                                  | <b>2014</b>              |                            |                                      |
|----------------------------------|--------------------------|----------------------------|--------------------------------------|
|                                  | <b><u>Cost</u></b>       | <b><u>Market Value</u></b> | <b><u>Unrealized Gain (Loss)</u></b> |
| TD Ameritrade                    | \$ 16,338                | \$ 16,863                  | \$ 525                               |
| LPL Financial                    | 609,989                  | 673,047                    | 63,058                               |
| Main Street Community Foundation | <u>201,069</u>           | <u>200,144</u>             | <u>(925)</u>                         |
|                                  | <b><u>\$ 827,396</u></b> | <b><u>\$ 890,054</u></b>   | <b><u>\$ 62,658</u></b>              |

Net investment income of \$68,839 was earned in the 2014 fiscal year end. There were investments that were sold during the fiscal year ended June 30, 2014, which resulted in a realized loss of \$10,559. Investment fees were paid during the June 30, 2014 fiscal year end amounting to \$8,323.

|                                  | <b>2013</b>              |                            |                                      |
|----------------------------------|--------------------------|----------------------------|--------------------------------------|
|                                  | <b><u>Cost</u></b>       | <b><u>Market Value</u></b> | <b><u>Unrealized Gain (Loss)</u></b> |
| TD Ameritrade                    | \$ 13,844                | \$ 15,325                  | \$ 1,481                             |
| LPL Financial                    | 616,952                  | 657,347                    | 40,395                               |
| Main Street Community Foundation | <u>189,675</u>           | <u>181,219</u>             | <u>(8,456)</u>                       |
|                                  | <b><u>\$ 820,471</u></b> | <b><u>\$ 853,891</u></b>   | <b><u>\$ 33,420</u></b>              |

Net investment income of \$25,003 was earned in the 2013 fiscal year end. There were investments that were sold during the fiscal year ended June 30, 2013, which resulted in a realized loss of \$8,822. Investment fees were paid during the June 30, 2013 fiscal year end amounting to \$9,616.

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:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities where the organization has the ability to access at the measurement date;

Level 2 - Significant other observable inputs other than quoted prices included in Level 1, which are observable for the asset or liability, either directly or indirectly (i.e. quoted prices in inactive markets, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency);



**UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

Level 3 - Unobservable inputs are used to the extent that observable inputs are unavailable due to little, if any, market activity for the asset or liability. Unobservable inputs are developed based on the best information available, which might include the organization's own data that reflects assumptions that market participants would use in pricing the asset or liability.

The United Way's investments are in publicly traded securities. Fair value for these investments is based on quoted market prices and published net asset values. Investments at June 30, all of which are valued using Level 1 inputs, consisted of the following:

|                                   | <b>2014</b>              |                            |                           |
|-----------------------------------|--------------------------|----------------------------|---------------------------|
|                                   | <b><u>Unrealized</u></b> |                            |                           |
|                                   | <b><u>Book Value</u></b> | <b><u>Market Value</u></b> | <b><u>Gain (Loss)</u></b> |
| Equity securities                 | \$ 545,370               | \$ 608,952                 | \$ 63,582                 |
| Mutual funds & money market funds | 282,026                  | 281,102                    | (924)                     |
|                                   | <b>\$ 827,396</b>        | <b>\$ 890,054</b>          | <b>\$ 62,658</b>          |

|                                   | <b>2013</b>              |                            |                           |
|-----------------------------------|--------------------------|----------------------------|---------------------------|
|                                   | <b><u>Unrealized</u></b> |                            |                           |
|                                   | <b><u>Book Value</u></b> | <b><u>Market Value</u></b> | <b><u>Gain (Loss)</u></b> |
| Equity securities                 | \$ 596,074               | \$ 637,950                 | \$ 41,876                 |
| Mutual funds & money market funds | 224,397                  | 215,941                    | (8,456)                   |
|                                   | <b>\$ 820,471</b>        | <b>\$ 853,891</b>          | <b>\$ 33,420</b>          |

Components of investment income for the year ended June 30 are as follows:

|                           | <b>2014</b>      | <b>2013</b>      |
|---------------------------|------------------|------------------|
| Investment income         | \$ 77,862        | \$ 30,951        |
| Realized gains (losses)   | (10,559)         | (8,822)          |
| Interest cash equivalents | 1,536            | 2,874            |
| Total                     | <b>\$ 68,839</b> | <b>\$ 25,003</b> |
| Unrealized gain (loss)    | <b>\$ 29,238</b> | <b>\$ 46,234</b> |
| Investment related fees   | <b>\$ 8,323</b>  | <b>\$ 9,616</b>  |

**NOTE 10 - TEMPORARILY RESTRICTED NET ASSETS:**

Temporarily restricted net assets are funds that were donated to the United Way of West Central Connecticut, Inc., which are restricted by the donor, as to its use.

Temporarily restricted net assets amounted to \$192,395 as of June 30, 2014. This balance is made up of \$13,750 of advances on the campaign to be run in the fall of 2014, \$128,645 of program restricted funds and a \$50,000 grant received from the City of Bristol, to help in the purchase of the building with a 10 year restricted use provision, whereas the building needs to be used as intended in the grant document for 10 years of the grant.

**UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

Temporarily restricted net assets amounted to \$182,331, as of June 30, 2013. This balance is made up of \$43,000 of advances on the campaign to be run in the fall of 2013, \$89,331 of program restricted funds and a \$50,000 grant received from the City of Bristol, to help in the purchase of the building with a 10 year restricted use provision, whereas the building needs to be used as intended in the grant document for 10 years of the grant.

During the years ended June 30, 2014 and 2013, \$43,000 and \$70,747, respectively, were released from temporarily restriction to be used in accordance with the donor restrictions. The breakdown of the temporarily restrictions for the June 30, 2014, fiscal year end was: campaign advances \$43,000 and \$0 released from program restricted funds. The breakdown of the temporarily restrictions for the June 30, 2013, fiscal year end was; campaign advances \$62,500 and \$8,247 for release of custodial funds.

**NOTE 11 - PERMANENTLY RESTRICTED NET ASSETS:**

The permanently restricted net assets balance as of June 30, 2014 and 2013 is made up as follows:

|                                      | <u>2014</u>       | <u>2013</u>       |
|--------------------------------------|-------------------|-------------------|
| Page Fund principal                  | \$ 168,500        | \$ 168,500        |
| Marion Rich Fund principal           | 163,000           | 163,000           |
| Moran/Rich Campership Fund principal | <u>9,287</u>      | <u>9,287</u>      |
|                                      | <u>\$ 340,787</u> | <u>\$ 340,787</u> |

**NOTE 12 - UNRESTRICTED NET ASSETS:**

Unrestricted net assets are made up of funds which are not specifically restricted as to its use. The majority of these funds are expected to be used for venture grants and to fund other community needs in the next fiscal year.

The board has appropriated a portion of unrestricted net assets into two classifications as follows:

Appropriated investment in plant & equipment are made up of all capitalized, net of depreciation, plant and equipment owned by the United Way of West Central Connecticut, Inc.

Appropriated-Board Designated Community initiatives - are funds that were set aside by the Board for future Community initiative program expenditures.

**NOTE 13 - ALLOCATIONS PAYABLE TO DESIGNATED AGENCIES:**

Allocations amounting to \$699,115, and \$936,426 were allocated to designated agencies as payable on June 30, 2014 and 2013, respectively. This balance represents twelve months of agencies allocations for the upcoming years. The board of the United Way of West Central Connecticut, Inc., set the allocations during the years ended June 30, 2014 and 2013 respectively.

**UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

A breakdown of the Allocations Payable is as follows:

|                              | <u>2014</u>       | <u>2013</u>       |
|------------------------------|-------------------|-------------------|
| Campaign Allocations payable | \$ 338,725        | \$ 391,616        |
| Barnes Allocations payable   | <u>360,390</u>    | <u>544,810</u>    |
| Total Allocations payable    | <u>\$ 699,115</u> | <u>\$ 936,426</u> |

**NOTE 14 -MORTGAGE PAYABLE:**

On October 25, 2005, a mortgage note was signed for \$200,000, to the Greater Hartford Business Development Center, Inc., bearing an interest rate of 4.0% payable as interest only for the first six months and then amortized over a period of one hundred twenty (120) months, with a five (5) year balloon payment of the principal sum, together with all unpaid and accrued interest that is due and payable on or before April of 2011. The monthly payments are \$2,025. On February 25, 2010, the mortgage note was refinanced for \$220,000, bearing an initial interest rate of 5.25% for the first five years of the note and will be subjected to an index rate change every five years thereafter until the mortgage note is paid off. The mortgage is a 20 year loan which will be paid off in March of 2030. The monthly payments are \$1,483.

During the year ended June 30, 2014, there was \$7,434 of payments applied against principal. The balance of the mortgage note at year end was \$190,486. Interest paid for the 2014 fiscal year amounted to \$10,432.

During the year ended June 30, 2013, there was \$6,895 of payments applied against principal, leaving a balance of \$197,920 at June 30, 2013. Interest paid for the 2013 fiscal year amounted to \$10,898. The mortgage payable over the next five years is as follows

| <u>Year Ended</u> | <u>Principal</u>  | <u>Interest</u>  |
|-------------------|-------------------|------------------|
| June 30, 2015     | \$ 8,008          | \$ 9,784         |
| June 30, 2016     | 8,439             | 9,353            |
| June 30, 2017     | 8,893             | 8,899            |
| June 30, 2018     | 9,371             | 8,422            |
| June 30, 2019     | 9,875             | 7,918            |
| Thereafter        | <u>145,900</u>    | <u>8,579</u>     |
|                   | <u>\$ 190,486</u> | <u>\$ 52,955</u> |

**NOTE 15 -NOTE PAYABLE:**

The United Way of West Central Connecticut, Inc., on November 29, 2010 agreed to replace all of its lighting fixtures in the building on 200 Main Street, Bristol, CT, through a program with the Connecticut Light and Power Company. As a result of the replacement of lighting fixtures, the United Way agreed to repay as a note \$9,148 over a period of three (3) years, at zero interest rate. The United Way is paying \$254 monthly to repay this loan. The Connecticut Light and Power Company gave the United Way an incentive of \$6,123, towards the total cost of the light replacements. This loan was paid off in November 2013.

**UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 16 -GRANTS:**

The United Way of West Central Connecticut, Inc., receives grants from private foundations to assist in their community initiatives. All of these funds are included in the statement of activities, as special contributions. Grants received by the June 30, 2014 fiscal year were as follows:

The William Caspar Graustein Memorial Fund provided funding for early childhood capacity building in Bristol and Plymouth. Bristol received \$24,211, and Plymouth received \$34,211.

The State of Connecticut, Connecticut Education Resource Center, provided funding for two Parent Leadership Training classes held in the winter/spring of 2014. United Way of West Central Connecticut received \$7,616 for the Parent Leadership Training Institute.

**NOTE 17 - PROGRAM RESTRICTED FUNDS**

These program restricted funds as of June 30, 2014 and 2013 were \$128,645 and \$89,331 respectfully.

**NOTE 18 - FIXED ASSET IMPAIRMENT DUE TO SIGNIFICANT DROP IN VALUE**

The Organization currently holds rental leases that are expiring in the next fiscal year. In as much as the Organization has had continuing concerns about the loss of their tenants as well as burdening building and leasehold improvement costs, the Organization has sought to sell its building and land. As part of that exercise, the Organization evaluated the fair market value of the building and land considering factors including its location, its local economy and the current condition of the building. Based on their analysis it was determined that the current fair market value approximates \$150,000; therefore, they have applied an impairment charge to adjust to this fair market value.

The impairment charge was determined to be \$198,000 and has impacted the organization's non operations activities.

**NOTE 19 -SUBSEQUENT EVENTS:**

The United Way has received offers to buy the building that it owns, occupies and also leases to independent tenants. These offers, which are presently receiving serious consideration, are in the vicinity of \$150,000. It is anticipated that one of the offers will be accepted before June 30,2015.

Subsequent events have been evaluated by management through November 24, 2014. The financial statements were available for issuer on December 31, 2014.

**UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.**  
**ALLOCATIONS TO AGENCIES**  
**FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

| <u>Agencies</u>                                  | <u>Allocations<br/>Approved<br/>2014/15</u> | <u>Allocations<br/>Approved<br/>2013/14</u> |
|--|---|---|
| Bristol Adult Resource Center                    | \$ 17,009                                   | \$ 20,407                                   |
| Boys and Girls Club and Family Center of Bristol | 68,119                                      | 78,944                                      |
| Boys Scouts of America Ct Rivers Council         | 8,648                                       | 8,354                                       |
| Bristol Community Organization                   | 36,976                                      | 43,822                                      |
| Bristol Preschool Child Care Center, Inc.        | 15,716                                      | 18,884                                      |
| Catholic Charities                               | 12,122                                      | 12,000                                      |
| Connecticut Legal Services                       | 5,724                                       | 7,106                                       |
| Community Mental Health Affiliates               | 21,351                                      | 24,260                                      |
| Literacy Volunteers of Central CT                | 5,228                                       | 6,125                                       |
| Nutmeg Big Brother/Big Sister                    | 6,328                                       | 5,938                                       |
| Plainville Association of Retarded Citizens      | 3,501                                       | 3,000                                       |
| Plainville Day Care Center                       | 7,650                                       | 9,000                                       |
| Plymouth Community Food Pantry                   | 6,133                                       | 5,657                                       |
| Plymouth Family Resource Center                  | 8,500                                       | 10,000                                      |
| Prudence Crandall Center Inc                     | 14,796                                      | 17,082                                      |
| St Vincent DePaul Society of Bristol Inc         | 25,946                                      | 32,164                                      |
| Salvation Army                                   | 8,913                                       | 15,020                                      |
| Wheeler Clinic                                   | 42,656                                      | 49,512                                      |
| Wheeler Regional YMCA                            | 4,250                                       | 5,000                                       |
| YWCA of New Britian                              | 7,751                                       | 8,128                                       |
| United Way of Connecticut                        | 11,409                                      | 11,213                                      |
| Total allocation to agencies                     | <u>\$ 338,726</u>                           | <u>\$ 391,616</u>                           |

KIRCALDIE, RANDALL & McNAB LLC

Schedule I

**UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.**  
**FUNCTIONAL EXPENSES (OVERHEAD) CALCULATION**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
*(with summarized financial information for the year ended June 30, 2013)*

|   | <b>2014</b>          |                 | <b>2013</b>          |                 |
|---|----------------------|-----------------|----------------------|-----------------|
|   | <u><b>AMOUNT</b></u> | <u><b>%</b></u> | <u><b>AMOUNT</b></u> | <u><b>%</b></u> |
| <b>REVENUES:</b>                              |                      |                 |                      |                 |
| Total Revenue                                 | \$ 1,051,163         |                 | \$ 1,103,106         |                 |
| Gross revenue                                 | <u>\$ 1,051,163</u>  | <u>100.00</u>   | <u>\$ 1,103,106</u>  | <u>100.00</u>   |
| <b>EXPENSES:</b>                              |                      |                 |                      |                 |
| <b>Allocations and Functional Expenses:</b>   |                      |                 |                      |                 |
| <b>Allocations:</b>                           |                      |                 |                      |                 |
| Allocations to agencies from campaign         | 338,726              |                 | 391,616              |                 |
| Donor designated allocations                  | 110,944              |                 | 122,965              |                 |
| Special allocations                           | 145,655              |                 | 206,094              |                 |
| Total allocations                             | <u>\$ 595,325</u>    | <u>56.63</u>    | <u>\$ 720,675</u>    | <u>65.33</u>    |
| <b>Functional expenses:</b>                   |                      |                 |                      |                 |
| Allocations and agency relations              | \$ 67,190            |                 | \$ 65,739            |                 |
| Community services                            | 122,528              |                 | 119,963              |                 |
| Bristol discovery grant initiative            | 54,413               |                 | 49,937               |                 |
| Plymouth discovery grant initiative           | 55,086               |                 | 46,950               |                 |
| Total program services expenses               | <u>\$ 299,217</u>    | <u>28.47</u>    | <u>\$ 282,589</u>    | <u>25.62</u>    |
| Fund raising                                  | \$ 77,047            |                 | \$ 77,914            |                 |
| Management and general                        | 99,729               |                 | 98,105               |                 |
| Total support services expenses               | <u>\$ 176,776</u>    | <u>16.82</u>    | <u>\$ 176,019</u>    | <u>15.96</u>    |
| Total functional expenses                     | <u>\$ 475,993</u>    | <u>45.28</u>    | <u>\$ 458,608</u>    | <u>41.57</u>    |
| Total donor designated and expenses           | <u>\$ 1,071,318</u>  | <u>101.91</u>   | <u>\$ 1,179,283</u>  | <u>106.90</u>   |
| Increase in net assets by campaign/allocation | \$ (20,155)          | <u>-1.91</u>    | \$ (76,177)          | <u>-6.90</u>    |
| Net rental income                             | (34,372)             |                 | (14,278)             |                 |
| Unrealized gains or (losses) from investments | 29,238               |                 | 46,234               |                 |
| Impairment loss                               | (198,000)            |                 | 0                    |                 |
| Decrease in net assets                        | <u>\$ (223,289)</u>  |                 | <u>\$ (44,221)</u>   |                 |

KIRCALDIE, RANDALL & MGNAB LLC

Schedule II

**UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.**  
**SCHEDULE OF BUILDING RENTAL ACTIVITY**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
*(with summarized financial information for June 30, 2013)*

|   | 2014        | 2013        |
|---|-------------|-------------|
| <b>Revenue, Gains, and Other Support:</b> |             |             |
| Rents                                     | \$ 72,336   | \$ 72,093   |
| Insurance proceeds                        | 0           | 6,735       |
| Total Revenue                             | \$ 72,336   | \$ 78,828   |
| <br><b>Expenses:</b>                      |             |             |
| Utilities:                                |             |             |
| Water and sewer                           | \$ 624      | \$ 467      |
| Heat, oil, & gas                          | 28,387      | 21,686      |
| Electricity                               | 13,100      | 10,523      |
| Total utilities                           | \$ 42,111   | \$ 32,676   |
| Trash removal                             | 1,544       | 1,526       |
| Snow removal                              | 2,026       | 1,437       |
| Bank fees                                 | 0           | 150         |
| General maintenance                       | 5,581       | 17,672      |
| Service contracts                         | 2,899       | 2,757       |
| Housekeeping                              | 9,989       | 10,102      |
| Insurance                                 | 3,128       | 2,890       |
| Interest                                  | 10,432      | 10,898      |
| Bad debts                                 | 16,000      | 0           |
| Depreciation                              | 12,998      | 12,998      |
| Total Expenses                            | \$ 106,708  | \$ 93,106   |
| Profit (loss)                             | \$ (34,372) | \$ (14,278) |

KIRCALDIE, RANDALL & MGNAB LLC

Schedule III