

**UNITED WAY OF WEST CENTRAL
CONNECTICUT, INC**
Financial Statements
June 30, 2010

UNITED WAY OF WEST CENTRAL CONNECTICUT, INC

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1
Financial Statements:	
Statement of Financial Position	2
Statement of Activities and Changes in Net Assets	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6
Schedule I Allocations to Agencies	17
Schedule II Functional Expenses (overhead) calculation	18
Schedule III Building Rental Activities	19

KIRCALDIE, RANDALL & MCNAB LLC

CERTIFIED PUBLIC ACCOUNTANTS

NORTH HAVEN, CONNECTICUT 06473

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statement of financial position of the

UNITED WAY OF WEST CENTRAL CONNECTICUT, INC
(a nonprofit organization)

as of June 30, 2010, and the related statement of activities and changes in net assets, statement of functional expenses, and the statement of cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized information has been derived from the organization's fiscal year ended June 30, 2009 financial statements and, in our report dated September 17, 2009, we expressed an unqualified opinion on those financial statements.

KIRCALDIE, RANDALL & MCNAB LLC
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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the United Way of West Central Connecticut, Inc., as of June 30, 2010, 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.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules I, II and III are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Kircaldie Randall & McNab LLC

North Haven, Connecticut
September 15, 2010

UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2010

(with summarized financial information for June 30, 2009)

	2010			2009
	Operations	Building	Total	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 571,161	\$ 26,577	\$ 597,738	\$ 657,880
Investments, at market values	668,956	0	668,956	610,514
Pledge receivable, net	693,142	16,000	709,142	763,523
Other receivable	10,604	(10,604)	0	0
Other current assets	2,513	837	3,350	3,315
Total current assets	\$ 1,946,376	\$ 32,810	\$ 1,979,186	\$ 2,035,232
Plant and Equipment:				
Plant and equipment	\$ 61,616	\$ 415,334	\$ 476,950	\$ 427,744
Less - Accumulated depreciation	46,223	76,442	122,665	100,381
Book value	\$ 15,393	\$ 338,892	\$ 354,285	\$ 327,363
Total assets	\$ 1,961,769	\$ 371,702	\$ 2,333,471	\$ 2,362,595
LIABILITIES				
Current liabilities:				
Allocations and grants payable to designated agencies	\$ 765,363	\$ 0	\$ 765,363	\$ 813,698
Mortgage payable-due within one year	0	6,504	6,504	18,839
Accounts payable	7,256	817	8,073	27,884
Custodial accounts	55,837	0	55,837	47,686
Due to affiliates	8,415	0	8,415	9,584
Total current liabilities	\$ 836,871	\$ 7,321	\$ 844,192	\$ 917,691
Long term liabilities				
Mortgage note payable	0	211,466	211,466	126,234
Total liabilities	\$ 836,871	\$ 218,787	\$ 1,055,658	\$ 1,043,925
NET ASSETS				
Net assets:				
Unrestricted:				
Unappropriated	\$ 579,606	\$ 102,915	\$ 682,521	\$ 661,321
Designated-Investment in plant and equipment	15,393	0	15,393	18,727
Designated-Board community initiatives	112,550	0	112,550	179,195
Total unrestricted net assets	\$ 707,549	\$ 102,915	\$ 810,464	\$ 859,243
Temporarily restricted:	76,562	50,000	126,562	118,640
Permanently restricted:	340,787	0	340,787	340,787
Total net assets	\$ 1,124,898	\$ 152,915	\$ 1,277,813	\$ 1,318,670
Total liabilities and net assets	\$ 1,961,769	\$ 371,702	\$ 2,333,471	\$ 2,362,595

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, 2010

(with summarized financial information for the year ended June 30, 2009)

	2010			2009	
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Combined Totals</u>	<u>Combined Totals</u>
Revenues, Gains, and Other Support:					
Campaign applicable to current period:					
Contributions					
Campaign	\$ 668,057	\$ 76,562	\$ 0	\$ 744,619	\$ 996,304
Net assets released from restriction	68,640	(68,640)	0	0	0
Gross Contributions	<u>\$ 736,697</u>	<u>\$ 7,922</u>	<u>\$ 0</u>	<u>\$ 744,619</u>	<u>\$ 996,304</u>
Uncollectible pledge expense	(56,239)	0	0	(56,239)	(47,650)
Net Contributions	<u>\$ 680,458</u>	<u>\$ 7,922</u>	<u>\$ 0</u>	<u>\$ 688,380</u>	<u>\$ 948,654</u>
Other Support:					
Special contributions	\$ 69,856	\$ 0	\$ 0	\$ 69,856	\$ 86,434
Interest and investment income	11,254	0	0	11,254	12,478
Support activities income	55,143	0	0	55,143	52,199
Administrative fees	8,774	0	0	8,774	16,251
Miscellaneous income	295	0	0	295	4,497
Total other support	<u>\$ 145,322</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 145,322</u>	<u>\$ 171,859</u>
Total revenue	<u>\$ 825,780</u>	<u>\$ 7,922</u>	<u>\$ 0</u>	<u>\$ 833,702</u>	<u>\$ 1,120,513</u>
Allocations and Other Functional Expenses:					
Allocations:					
Allocations to agencies from campaign	\$ 372,039	\$ 0	\$ 0	\$ 372,039	\$ 443,601
Special allocations	65,738	0	0	65,738	110,928
Designations by Donors	97,782	0	0	97,782	90,560
Total allocations	<u>\$ 535,559</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 535,559</u>	<u>\$ 645,089</u>
Other functional expenses:					
Allocations and Agency relations	\$ 50,658	\$ 0	\$ 0	\$ 50,658	\$ 56,469
Community Services	94,255	0	0	94,255	103,421
Bristol Discovery Grant Initiative	33,344	0	0	33,344	30,056
Plymouth Discovery Grant Initiative	22,508	0	0	22,508	16,646
Total program services expenses	<u>\$ 200,765</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 200,765</u>	<u>\$ 206,592</u>
Fund raising	\$ 95,313	\$ 0	\$ 0	95,313	100,434
Management and general	91,921	0	0	91,921	96,578
Total support services expenses	<u>\$ 187,234</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 187,234</u>	<u>\$ 197,012</u>
Total other functional expenses	<u>\$ 387,999</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 387,999</u>	<u>\$ 403,604</u>
Total allocations and expenses	<u>\$ 923,558</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 923,558</u>	<u>\$ 1,048,693</u>
Change in Net Assets from Operations	<u>\$ (97,778)</u>	<u>\$ 7,922</u>	<u>\$ 0</u>	<u>\$ (89,856)</u>	<u>\$ 71,820</u>
Net rental income, per schedule	(6,385)	0	0	(6,385)	(23,611)
Unrealized gain and (losses) from investments	55,384	0	0	55,384	(113,280)
Change in Net Assets	<u>\$ (48,779)</u>	<u>\$ 7,922</u>	<u>\$ 0</u>	<u>\$ (40,857)</u>	<u>\$ (65,071)</u>
Net Assets, beginning of year	859,243	118,640	340,787	1,318,670	1,383,741
Net Assets, end of year	<u>\$ 810,464</u>	<u>\$ 126,562</u>	<u>\$ 340,787</u>	<u>\$ 1,277,813</u>	<u>\$ 1,318,670</u>

KIRCALDIE, RANDALL & MGNAB LLC

See Accountant's Report and Accompanying Notes to Financial Statements

UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.
 STATEMENT OF FUNCTIONAL EXPENSES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(with summarized financial information for the year ended June 30, 2009).

	PROGRAM SERVICES					SUPPORT SERVICES			2010 TOTAL	2009 TOTAL
	ALLOCATIONS AND AGENCY RELATIONS	COMMUNITY SERVICES	BRISTOL DISCOVERY GRANT	PLYMOUTH DISCOVERY GRANT	TOTAL	FUND RAISING	MANAGEMENT AND GENERAL	TOTAL		
ALLOCATIONS TO AGENCIES	\$ 372,039				\$ 372,039				\$ 372,039	\$ 443,601
SPECIAL ALLOCATIONS	\$ 65,738				\$ 65,738				\$ 65,738	\$ 110,928
COMMUNITY & AGENCY SERVICES PROVIDED BY THE UNITED WAY:										
SALARIES AND RELATED EXPENSES:										
Salaries	\$ 27,335	\$ 53,086	\$ 0	\$ 0	\$ 80,421	\$ 42,461	\$ 51,835	\$ 94,296	\$ 174,717	\$ 195,567
Employee Benefits	5,215	9,100	0	0	14,315	11,154	9,340	20,494	34,809	36,635
Payroll Taxes	2,777	4,846	0	0	7,623	5,940	4,973	10,913	18,536	18,343
Total salaries and related expenses	\$ 35,327	\$ 67,032	\$ 0	\$ 0	\$ 102,359	\$ 59,555	\$ 66,148	\$ 125,703	\$ 228,062	\$ 250,545
OTHER EXPENSES:										
Accounting Services	\$ 572	\$ 1,144	\$ 0	\$ 0	1,716	\$ 954	\$ 1,144	2,098	\$ 3,814	\$ 3,866
Conferences and Meetings	431	862	0	0	1,293	719	862	1,581	2,874	5,579
Office Supplies & Expenses	2,611	5,220	1,626	98	9,555	4,350	5,220	9,570	19,125	20,771
Publicity and promotion	3,438	3,438	0	0	6,876	7,980	0	7,980	14,856	19,073
Rent	3,645	7,290	0	0	10,935	6,075	7,290	13,365	24,300	22,100
Telephone	490	981	0	0	1,471	818	981	1,799	3,270	2,785
Postage	1,320	2,640	0	0	3,960	2,200	2,639	4,839	8,799	7,289
Professional Fees	1,811	3,622	0	0	5,433	3,019	3,622	6,641	12,074	15,572
Family Resource Center	0	0	6,740	0	6,740	0	0	0	6,740	500
Youth Board Coordinator	0	0	21,576	22,410	43,986	0	0	0	43,986	33,924
Administrative Expenses	0	0	3,402	0	3,402	0	0	0	3,402	5,216
Insurance	233	466	0	0	699	389	466	855	1,554	1,501
Membership fees					0	7,955	1,989	9,944	9,944	10,750
Total other expenses	\$ 14,551	\$ 25,663	\$ 33,344	\$ 22,508	\$ 96,066	\$ 34,459	\$ 24,213	\$ 58,672	\$ 154,738	\$ 148,926
Depreciation	780	1,560	0	0	2,340	1,299	1,560	2,859	5,199	4,133
Total community and agency services expenses	\$ 50,658	\$ 94,255	\$ 33,344	\$ 22,508	\$ 200,765	\$ 95,313	\$ 91,921	\$ 187,234	\$ 387,999	\$ 403,604
Total allocations and expenses	\$ 488,435	\$ 94,255	\$ 33,344	\$ 22,508	\$ 638,542	\$ 95,313	\$ 91,921	\$ 187,234	\$ 825,776	\$ 958,133
DESIGNATIONS BY DONORS	97,782	0	0	0	97,782	0	0	0	97,782	90,560
Total	\$ 586,217	\$ 94,255	\$ 33,344	\$ 22,508	\$ 736,324	\$ 95,313	\$ 91,921	\$ 187,234	\$ 923,558	\$ 1,048,693

See Accountant's Report and Accompanying Notes to Financial Statements

UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010
(with summarized financial information for the year ended June 30, 2009)

	<u>2010</u>	<u>2009</u>
Cash Flows From Operating Activities:		
Changes in Net Assets	\$ (40,857)	\$ (65,071)
Adjustments to reconcile changes in net assets:		
Depreciation	22,284	20,131
Unrealized (gains) losses on investments	(55,384)	113,280
Realized (gains) losses on investments	12,428	25,310
Pledges receivable	54,381	163,452
Other current assets	(35)	(5,181)
Allocations payable	(48,335)	(220,317)
Custodial accounts	8,151	(737)
Accounts payable	(19,811)	13,474
Due to affiliates	(1,169)	(868)
Net cash provided (used) by operating activities	<u>\$ (68,347)</u>	<u>\$ 43,473</u>
Cash Flows From Investing Activities:		
Purchase of plant and equipment	\$ (49,206)	\$ (6,914)
Purchase of investments	(21,149)	(68,626)
Redemptions of investments	5,663	42,401
Net cash (used) by investing activities	<u>\$ (64,692)</u>	<u>\$ (33,139)</u>
Cash Flows From Financing Activities:		
Refinancing of the mortgage note	\$ 87,402	\$ 0
Payments on mortgage note	(14,505)	(18,101)
Net cash provided (used) by financing activities	<u>\$ 72,897</u>	<u>\$ (18,101)</u>
Net increase (decrease) in cash	<u>\$ (60,142)</u>	<u>\$ (7,767)</u>
Cash and cash equivalents, beginning of year	<u>657,880</u>	<u>665,647</u>
Cash and cash equivalents, end of year	<u>\$ 597,738</u>	<u>\$ 657,880</u>
Supplemental Disclosures of Cash Flows:		
Interest paid	<u>\$ 7,753</u>	<u>\$ 6,197</u>

See Accountant's Report and Accompanying Notes to Financial Statements

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

United Way of West Central Connecticut, Inc. supports over twenty-two 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, 2009, 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, 2010 and 2009;

	<u>2010</u>	<u>Interest</u>	<u>2009</u>	<u>Interest</u>
	<u>Balance</u>	<u>Rate</u>	<u>Balance</u>	<u>Rate</u>
Unrestricted				
Petty cash	\$ 400	0.00%	\$ 400	0.00%
Cash-Checking-Webster Bank	59,314	0.00%	58,757	0.00%
Cash-Money Market-Webster Bank	85,054	0.40%	150,054	0.40%
Cash-Savings-Webster Bank	11,350	0.20%	10,968	0.25%
Cash-CD Savings-Thomaston Bank	53,565	0.75%	52,939	1.73%
Cash-CD Savings-Thomaston Bank	74,362	0.75%	73,618	1.24%
Cash-CD Savings-Farmington Savings- Bank Reserve	35,123	1.49%	34,671	1.49%
Cash-CD Savings Farmington Savings- Bank Reserve	57,495	1.00%	56,894	1.00%
Cash-CD Savings-Farmington Savings- Bank Reserve	<u>59,602</u>	1.49%	<u>58,920</u>	1.49%
Total unrestricted	<u>\$ 436,265</u>		<u>\$ 497,221</u>	
Restricted Cash				
Cash-Savings-New England Bank- Campership	52,734	2.02%	53,172	2.71%
Cash-CD Savings-Webster Bank-Barnes Campaign	82,162	0.25%	81,867	0.35%
Cash-Checking-New England Bank- Rental	<u>26,577</u>	0.00%	<u>25,620</u>	0.00%
Total restricted	<u>\$ 161,473</u>		<u>\$ 160,659</u>	
Total cash	<u>\$ 597,738</u>		<u>\$ 657,880</u>	

KIRCALDIE, RANDALL & MGNAB LLC

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.

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, 2010, the Investments held had a cost of \$753,216 and a market value of \$668,956 resulting in an unrealized loss at June 30, 2010, of \$(84,260). At June 30, 2008, the Investments held had a cost value of \$750,157 and a market value of \$610,514 having an unrealized loss at June 30, 2009, of \$(139,643).

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.

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

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.

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 2010 (Fall 2009 campaign) have been accrued at June 30, 2010, and public support recognized in the fiscal year 2009 (Fall 2008 campaign) have been accrued at June 30, 2009, 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, 2011 fiscal year even though the income providing this funding is recognized as revenue in the June 30, 2010 period. Accordingly, these amounts of Initiative funding cannot be accrued as an allocation as of June 30, 2010.

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.

Provision for Uncollectible

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

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.

KIRCALDIE, RANDALL & MGNAB LLC

NOTE 2 - PLEDGE RECEIVABLES:

Pledge receivables for the fiscal years ended June 30, 2010 and 2009 are as follows:

	<u>2010</u>	<u>2009</u>
Outstanding Pledges:		
2010 Campaign	\$ 8,100	\$
2009 Campaign	352,312	
2008 Campaign	83,297	461,025
2007 Campaign		78,000
Total Pledge receivable	<u>\$ 443,709</u>	<u>\$ 539,025</u>
Allowance for Uncollectible:		
2009 Campaign	\$ 20,000	\$
2008 Campaign	40,000	40,000
2007 Campaign		40,000
Total allowance	<u>\$ 60,000</u>	<u>\$ 80,000</u>
Net United Way campaign pledge receivable	\$ 383,709	\$ 459,025
Barnes National Pledge campaign	<u>309,433</u>	<u>288,498</u>
Net operating pledge receivable	\$ 693,142	\$ 747,523
Building purchase campaign	<u>16,000</u>	<u>16,000</u>
Net pledge receivables	<u>\$ 709,142</u>	<u>\$ 763,523</u>

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

NOTE 3 - 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 2010 and 2009, amounted to \$15,415 and \$15,924, respectively.

NOTE 4 - PLANT AND EQUIPMENT:

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

		2010		
		<u>Operations</u>	<u>Building</u>	<u>Total</u>
Land	\$		\$ 8,800	\$ 8,800
Building			49,384	49,384
Building Improvements			317,061	317,061
Furniture			24,603	24,603
Equipment		<u>61,616</u>	<u>15,486</u>	<u>77,102</u>
	\$	61,616	\$ 415,334	\$476,950
Less, accumulated depreciation		<u>46,223</u>	<u>76,442</u>	<u>122,665</u>
Net plant and equipment		<u><u>15,393</u></u>	<u><u>338,892</u></u>	<u><u>\$354,285</u></u>
		2009		
		<u>Operations</u>	<u>Building</u>	<u>Total</u>
Land	\$		\$ 8,800	\$ 8,800
Building			49,384	49,384
Building Improvements			269,720	269,720
Furniture			24,603	24,603
Equipment		<u>59,751</u>	<u>15,486</u>	<u>75,237</u>
	\$	59,751	\$ 367,993	\$427,744
Less, accumulated depreciation		<u>41,024</u>	<u>59,357</u>	<u>100,381</u>
Net plant and equipment		<u><u>18,727</u></u>	<u><u>308,636</u></u>	<u><u>\$327,363</u></u>

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During the 2010 fiscal year the United Way added the following items to their plant and equipment: \$1,865 for new computers, and \$47,341 in building improvements.

There was no old equipment retired during the June 30, 2010, fiscal year end.

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

NOTE 4 - PLANT AND EQUIPMENT: (CONTINUED)

During the 2009 fiscal year the United Way added the following items to their plant and equipment: \$6,914 for new computers and a new server.

There was no old equipment that was retired in the June 30, 2009.

Depreciation expense for the years ended June 30, 2010 and 2009, as follows:

	<u>2010</u>	<u>2009</u>
Operations	\$ 5,199	\$ 4,133
Building	<u>17,085</u>	<u>15,998</u>
Total depreciation expense	<u>\$ 22,284</u>	<u>\$ 20,131</u>

NOTE 5 - 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, 2010, was \$67,350. There was \$64,500 rent collected in the June 30, 2009 fiscal year end.

NOTE 6 - UNINSURED CASH BALANCES:

The United Way of West Central Connecticut, Inc. maintains their cash in bank deposits at (3) three high credit quality financial institutions. The balance at times, may exceed federally insured limits. At June 30, 2010 and June 30, 2009, the cash balances did not exceed the insured limit of \$250,000.

NOTE 7 - DUES TO AFFILIATES:

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

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

NOTE 8 - INVESTMENTS:

The following is a list of investments, by account, held by the United Way of West Central Connecticut, Inc at June 30, 2010 and 2009;

	2010		
	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gain (loss)</u>
TD Ameritrade	\$ 4,961	\$ 6,261	\$ 1,300
Linsco Private Ledger	570,369	518,112	(52,257)
Main Street Community Foundation	<u>177,886</u>	<u>144,583</u>	<u>(33,303)</u>
	<u>\$ 753,216</u>	<u>\$ 668,956</u>	<u>\$ (84,260)</u>

Investment income of \$18,806 was earned in the 2010 fiscal year end. There were investments that were sold during the fiscal year ended June 30, 2010, which resulted in a realized loss of \$12,428. Investment fees were paid during the June 30, 2010 fiscal year end amounting to \$5,663.

	2009		
	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gain (loss)</u>
TD Ameritrade	\$ 2,500	\$ 3,098	\$ 598
Linsco Private Ledger	574,666	472,998	(101,668)
Main Street Community Foundation	<u>172,991</u>	<u>134,418</u>	<u>(38,573)</u>
	<u>\$ 750,157</u>	<u>\$ 610,514</u>	<u>\$ (139,643)</u>

Investment income of \$26,824 was earned in the 2009 fiscal year end. There were investments that were sold during the fiscal year ended June 30, 2009, which resulted in a realized loss of \$25,310. Investment fees were paid during the June 30, 2009 fiscal year end amounting to \$5,368.

NOTE 9 - 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 \$126,562 as of June 30, 2010. This balance is made up of \$76,562 of advances on the campaign to be run in the fall of 2010, 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.

Temporarily restricted net assets amounted to \$118,640, as of June 30, 2009. This balance is made up of \$68,640 of advances on the campaign to be run in the fall of 2009, 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.

KIRCALDIE, RANDALL & MGNAB LLC

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

NOTE 9 - TEMPORARILY RESTRICTED NET ASSETS: (CONTINUED)

During the years ended June 30, 2010 and 2009, \$68,640 and \$82,871, 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, 2010 fiscal year end was; campaign advances \$68,640. The breakdown of the temporarily restrictions for the June 30, 2009, fiscal year end was: campaign advances \$82,871.

NOTE 10 - PERMANENTLY RESTRICTED NET ASSETS:

The permanently restricted net assets balance as of June 30, 2010 and 2009 is made up as follows:

	<u>2010</u>	<u>2009</u>
Page Fund principal	\$ 168,500	\$ 168,500
Marion Rich Fund principal	163,000	163,000
Moran/Rich Campership Fund principle	<u>9,287</u>	<u>9,287</u>
	<u>\$ 340,787</u>	<u>\$ 340,787</u>

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NOTE 11 - 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 some 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 12 - ALLOCATIONS PAYABLE TO DESIGNATED AGENCIES:

Allocations amounting to \$765,363, and \$813,698 were allocated to designated agencies as payable on June 30, 2010 and 2009, 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, 2009 and 2008 respectively. A breakdown of the allocations payable is as follows:

	<u>2010</u>	<u>2009</u>
Campaign Allocations payable	\$ 372,110	\$ 443,601
Barnes Allocations payable	<u>393,253</u>	<u>370,097</u>
Total Allocations payable	<u>\$ 765,363</u>	<u>\$ 813,698</u>

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

NOTE 13 -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 \$2,024.90. 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 \$1,482.70.

During the year ended June 30, 2010, there was \$14,505 of payments applied against principal. The balance of the mortgage note at year end was \$217,970. Interest paid for the 2010 fiscal year amounted to \$7,753.

During the year ended June 30, 2009, there was \$18,101 of payments applied against principal, leaving a balance of \$145,073 at June 30, 2009. Interest paid for the 2009 fiscal year amounted to \$6,197.

The mortgage payable over the next five years is as follows

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>
June 30, 2011	\$ 6,504	\$ 11,288
June 30, 2012	6,854	10,938
June 30, 2013	7,222	10,570
June 30, 2014	7,611	10,182
June 30, 2015	8,020	9,772
Thereafter	<u>181,759</u>	<u>44,175</u>
	<u>\$ 217,970</u>	<u>\$ 96,925</u>

NOTE 14 -EQUIPMENT LEASES:

The United Way of West Central Connecticut, Inc., maintains some equipment under long-term operating leases. The future minimum rental payments required under the operating leases that have an initial or remaining non-cancelable lease term in excess of one year, as of June 30, 2009 are

<u>Year Ending</u> <u>June 30,</u>	<u>Amount</u>
2011	\$ 2,796
2012	2,796
2013	<u>2,796</u>
	<u>\$ 8,388</u>

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

NOTE 15 -GRANTS:

The United Way of West Central Connecticut, Inc., during the fiscal year ended June 30, 2008 applied for and received a grant from State of Connecticut, administered through the State of Connecticut Board of Education. This Grant was for Early Childhood Education Cabinet Technical Assistance. The total of the Grant was for \$23,130 of which \$15,337 was spent during the June 30, 2008 fiscal year, the balance of \$7,793 from this grant was spent during the June 30, 2009 fiscal year.

The United Way of West Central Connecticut, Inc., also 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.

NOTE 16 -INTEREST AND INVESTMENT INCOME:

The breakdown of interest and investment income is as follows for the years end June 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Interest income	\$ 4,876	\$ 10,964
Dividend income	18,806	26,824
Realized gains (losses)	<u>(12,428)</u>	<u>(25,310)</u>
Total interest and investment income	<u>\$ 11,254</u>	<u>\$ 12,478</u>

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United Way of West Central Connecticut, Inc.
Allocations to Agencies
For The Years Ended June 30, 2010 and 2009

KIRCALDIE, RANDALL & MGNAB LLC

<u>Agencies</u>	<u>Allocations Approved 2010/11</u>	<u>Allocations Approved 2009/10</u>
Bristol Adult Resource Center	\$ 24,484	\$ 29,358
Boys and Girls Club and Family Center of Bristol	82,685	101,871
Bristol Community Organization	5,712	7,105
Bristol Preschool Child Center	13,044	16,256
Connecticut Legal Services	4,555	6,197
Connecticut Cares	31,540	38,000
Community Mental Health Affiliates	20,750	25,296
Greater Bristol Visiting Nurse Association, Inc.	15,827	19,236
Literacy Volunteers of Central CT	4,886	5,923
Living in Safe Alternatives (LISA)	14,545	17,000
Nutmeg Big Brother/Sister	5,298	5,291
Plainville Association of Retarded Citizens	9,519	15,902
Plainville Community Food Pantry	10,253	11,653
Plainville Day Care Center	8,647	9,777
Plymouth Community Food Pantry	3,650	3,812
Plymouth Family Resource Center	11,045	12,000
Prudence Crandall Center Inc	15,965	15,362
St Vincent DePaul Society of Bristol Inc	22,934	26,907
Salvation Army	8,677	12,398
Wheeler Clinic	38,366	40,456
YWCA of New Britian	8,120	9,351
United Way Infoline	11,537	14,450
Total allocation to agencies	<u>\$ 372,039</u>	<u>\$ 443,601</u>

See Accountant's Report and Accompanying Notes to Financial Statements

**UNITED WAY OF WEST CENTRAL CONNECTICUT
FUNCTIONAL EXPENSES (OVERHEAD) CALCULATION
FOR THE YEAR ENDED JUNE 30, 2010**
(with summarized financial information for the year ended June 30, 2009)

	<u>2010</u>		<u>2009</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
REVENUES:				
Total Revenue	\$ 833,702		\$ 1,120,513	
Gross revenue	<u>\$ 833,702</u>	<u>100.00</u>	<u>\$ 1,122,513</u>	<u>100.00</u>
EXPENSES:				
Allocations and Functional Expenses:				
Allocations:				
Allocations to agencies from campaign	372,039		443,601	
Donor designated allocations	65,738		90,560	
Special allocations	97,782		110,928	
Total allocations	<u>\$ 535,559</u>	<u>64.24</u>	<u>\$ 645,089</u>	<u>57.47</u>
Functional expenses:				
Allocations and agency relations	\$ 50,658		\$ 56,469	
Community services	94,255		103,421	
Bristol discovery grant initiative	33,344		30,056	
Plymouth discovery grant initiative	22,508		16,646	
Total program services expenses	<u>\$ 200,765</u>	<u>24.08</u>	<u>\$ 206,592</u>	<u>18.40</u>
Fund raising	\$ 95,313		\$ 100,434	
Management and general	91,921		96,578	
Total support services expenses	<u>\$ 187,234</u>	<u>22.46</u>	<u>\$ 197,012</u>	<u>17.55</u>
Total functional expenses	<u>\$ 387,999</u>	<u>46.54</u>	<u>\$ 403,604</u>	<u>35.96</u>
Total donor designated and expenses	<u>\$ 923,558</u>	<u>110.78</u>	<u>\$ 1,048,693</u>	<u>93.43</u>
Increase in net assets by campaign/allocation	\$ (89,856)	<u>-10.78</u>	\$ 73,820	<u>6.57</u>
Net rental income	(6,385)		(23,611)	
Prior period accounting adjustment	0		0	
Unrealized gains or (losses) from investments	55,384		(113,280)	
Increase in net assets	<u>\$ (40,857)</u>		<u>\$ (63,071)</u>	

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UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.
SCHEDULE OF BUILDING RENTAL ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2010
(with summarized financial information for June 30, 2009)

	2010	2009
Revenue, Gains, and Other Support:		
Contributions	\$ 0	\$ 0
Rents	67,350	64,500
Insurance proceeds	12,016	33,426
Total Revenue	\$ 79,366	\$ 97,926
 Expenses:		
Utilities:		
Water and sewer	\$ 441	\$ 653
Heat, oil, & gas	12,450	16,837
Electricity	14,798	18,571
Total utilities	\$ 27,689	\$ 36,061
Trash removal	1,527	1,526
Snow removal	1,785	2,146
Bookkeeping	63	0
General maintenance	7,678	10,537
Repairs	7,933	37,958
Service contracts	3,772	2,584
Housekeeping	8,610	7,406
Insurance	1,856	1,101
Interest	7,753	6,197
Bank fees	0	23
Depreciation	17,085	15,998
Total Expenses	\$ 85,751	\$ 121,537
Profit (loss)	\$ (6,385)	\$ (23,611)

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