

**UNITED WAY OF WEST CENTRAL
CONNECTICUT, INC.**
Financial Statements
June 30, 2012

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	19
Schedule II Functional Expenses (overhead) calculation	20
Schedule III Building Rental Activities	21

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, 2012, 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, 2011 financial statements and, in our report dated August 16, 2011, we expressed an unqualified opinion on those financial statements.

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, 2012, 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
November 8, 2012

UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2012

(with summarized financial information for June 30, 2011)

	2012			2011
	Operations	Building	Total	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 395,941	\$ 10,053	\$ 405,994	\$ 463,814
Cash-invested	148,888		148,888	148,273
Investments, at market values	797,976		797,976	788,031
Pledge receivable	804,516	16,000	820,516	700,774
Other receivable	56,000	(56,000)		
Other current assets	2,830	1,811	4,641	4,758
Total current assets	\$ 2,206,151	\$ (28,136)	\$ 2,178,015	\$ 2,105,650
Plant and Equipment:				
Plant and equipment	\$ 63,726	\$ 478,392	\$ 542,118	\$ 513,016
Less - Accumulated depreciation	55,612	103,563	159,175	142,498
Net plant and equipment	\$ 8,114	\$ 374,829	\$ 382,943	\$ 370,518
Total assets	\$ 2,214,265	\$ 346,693	\$ 2,560,958	\$ 2,476,168
LIABILITIES				
Current liabilities:				
Allocations payable to designated agencies	\$ 885,129	\$ 0	\$ 885,129	\$ 832,276
Mortgage payable-due within one year		7,212	7,212	6,813
Notes payable		3,049	3,049	3,049
Accounts payable	16,088	2,162	18,250	26,070
Due to affiliates	9,562		9,562	7,853
Total current liabilities	\$ 910,779	\$ 12,423	\$ 923,202	\$ 876,061
Long term liabilities				
Notes payable		1,271	1,271	4,320
Mortgage payable		197,603	197,603	204,815
Total liabilities	\$ 910,779	\$ 211,297	\$ 1,122,076	\$ 1,085,196
NET ASSETS				
Net assets:				
Unrestricted:				
Unappropriated	\$ 607,764	\$ 85,396	\$ 693,160	\$ 598,363
Designated-Investment in plant and equipment	8,114		8,114	10,414
Designated-Board community initiatives	191,652		191,652	228,673
Total unrestricted net assets	\$ 807,530	\$ 85,396	\$ 892,926	\$ 837,450
Temporarily restricted:	155,169	50,000	205,169	212,735
Permanently restricted:	340,787		340,787	340,787
Total net assets	\$ 1,303,486	\$ 135,396	\$ 1,438,882	\$ 1,390,972
Total liabilities and net assets	\$ 2,214,265	\$ 346,693	\$ 2,560,958	\$ 2,476,168

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, 2012
(with summarized financial information for the year ended June 30, 2011)

	2012			2011	
	<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	\$ 885,733	\$ 57,500	\$	\$ 943,233	\$ 906,676
Net assets released from restriction	70,066	(70,066)			
Gross Contributions	<u>\$ 955,799</u>	<u>\$ (12,566)</u>	<u>\$ 0</u>	<u>\$ 943,233</u>	<u>\$ 906,676</u>
Uncollectible pledge expense	(49,965)			(49,965)	(80,540)
Net Contributions	<u>\$ 905,834</u>	<u>\$ (12,566)</u>	<u>\$ 0</u>	<u>\$ 893,268</u>	<u>\$ 826,136</u>
Other Support:					
Special contributions	\$ 157,178	\$ 5,000	\$	\$ 162,178	\$ 179,838
Interest and investment income	39,548			39,548	27,859
Support activities income	45,870			45,870	47,534
Administrative fees	26,375			26,375	12,378
Miscellaneous income	59			59	4,555
Total other support	<u>\$ 269,030</u>	<u>\$ 5,000</u>	<u>\$ 0</u>	<u>\$ 274,030</u>	<u>\$ 272,164</u>
Total revenue	<u>\$ 1,174,864</u>	<u>\$ (7,566)</u>	<u>\$ 0</u>	<u>\$ 1,167,298</u>	<u>\$ 1,098,300</u>
Allocations and Other Functional Expenses:					
Allocations:					
Allocations to agencies from campaign	\$ 381,658	\$	\$	\$ 381,658	\$ 395,629
Special allocations	203,547			203,547	219,507
Designations by Donors	79,769			79,769	88,158
Total allocations	<u>\$ 664,974</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 664,974</u>	<u>\$ 703,294</u>
Other functional expenses:					
Allocations and Agency relations	\$ 66,341	\$	\$	\$ 66,341	\$ 55,116
Community Services	119,116			119,116	96,768
Bristol Discovery Grant Initiative	52,248			52,248	43,369
Plymouth Discovery Grant Initiative	34,190			34,190	30,681
Total program services expenses	<u>\$ 271,895</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 271,895</u>	<u>\$ 225,934</u>
Fund raising	\$ 80,454	\$	\$	80,454	81,346
Management and general	95,427			95,427	96,503
Total support services expenses	<u>\$ 175,881</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 175,881</u>	<u>\$ 177,849</u>
Total other functional expenses	<u>\$ 447,776</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 447,776</u>	<u>\$ 403,783</u>
Total allocations and expenses	<u>\$ 1,112,750</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,112,750</u>	<u>\$ 1,107,077</u>
Change in Net Assets from Operations	<u>\$ 62,114</u>	<u>\$ (7,566)</u>	<u>\$ 0</u>	<u>\$ 54,548</u>	<u>\$ (8,777)</u>
Net rental income, per schedule	14,644			14,644	(32,163)
Unrealized gain and (losses) from investments	(21,282)			(21,282)	98,262
Change in Net Assets	<u>\$ 55,476</u>	<u>\$ (7,566)</u>	<u>\$ 0</u>	<u>\$ 47,910</u>	<u>\$ 57,322</u>
Net Assets, beginning of year	<u>837,450</u>	<u>212,735</u>	<u>340,787</u>	<u>1,390,972</u>	<u>1,333,650</u>
Net Assets, end of year	<u>\$ 892,926</u>	<u>\$ 205,169</u>	<u>\$ 340,787</u>	<u>\$ 1,438,882</u>	<u>\$ 1,390,972</u>

KIRCALDIE, RANDALL & MGNAB LLC

UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.
 STATEMENT OF FUNCTIONAL EXPENSES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (with summarized financial information for the year ended June 30, 2011)

	PROGRAM SERVICES					SUPPORT SERVICES			2012 TOTAL	2011 TOTAL
	ALLOCATIONS AND AGENCY RELATIONS	COMMUNITY SERVICES	BRISTOL DISCOVERY GRANT	PLYMOUTH DISCOVERY GRANT	TOTAL	FUND RAISING	MANAGEMENT AND GENERAL	TOTAL		
ALLOCATIONS TO AGENCIES	\$ 381,658				\$ 381,658				\$ 381,658	\$ 395,629
SPECIAL ALLOCATIONS	\$ 203,547				\$ 203,547				\$ 203,547	\$ 219,507
COMMUNITY & AGENCY SERVICES PROVIDED BY THE UNITED WAY:										
SALARIES AND RELATED EXPENSES:										
Salaries	\$ 36,882	\$ 68,552	\$ 0	\$ 0	\$ 105,434	\$ 27,718	\$ 48,464	\$ 76,182	\$ 181,616	\$ 172,183
Employee Benefits	5,325	9,273	0	0	14,598	6,093	9,450	15,543	30,141	29,043
Payroll Taxes	3,424	5,963	0	0	9,387	3,918	6,076	9,994	19,381	18,380
Total salaries and related expenses	\$ 45,631	\$ 83,788	\$ 0	\$ 0	\$ 129,419	\$ 37,729	\$ 63,990	\$ 101,719	\$ 231,138	\$ 219,606
OTHER EXPENSES:										
Accounting Services	\$ 1,269	\$ 2,540	\$ 0	\$ 0	3,809	\$ 2,117	\$ 2,540	4,657	\$ 8,466	\$ 5,819
Conferences and Meetings	503	1,006	647	530	2,686	838	1,006	1,844	4,530	2,709
Office Supplies & Expenses	2,363	4,726	360	267	7,716	3,939	4,726	8,665	16,381	30,386
Publicity and promotion	6,094	6,094	0	0	12,188	9,546	0	9,546	21,734	14,832
Rent	4,366	8,732	0	0	13,098	7,277	8,732	16,009	29,107	24,300
Telephone	404	808	0	0	1,212	674	808	1,482	2,694	3,404
Postage	1,250	2,499	0	0	3,749	2,083	2,498	4,581	8,330	7,830
Professional Fees	3,163	6,326	2,000	6,300	17,789	5,272	6,326	11,598	29,387	19,228
Family Resource Center	0	0	0	0	0	0	0	0	0	329
Youth Board Coordinator	0	0	49,241	27,093	76,334	0	0	0	76,334	56,483
Insurance	636	1,274	0	0	1,910	1,061	1,274	2,335	4,245	4,472
Membership fees					0	8,816	2,204	11,020	11,020	9,406
Total other expenses	\$ 20,048	\$ 34,005	\$ 52,248	\$ 34,190	\$ 140,491	\$ 41,623	\$ 30,114	\$ 71,737	\$ 212,228	\$ 179,198
Depreciation	662	1,323	0	0	1,985	1,102	1,323	2,425	4,410	4,979
Total community and agency services expenses	\$ 66,341	\$ 119,116	\$ 52,248	\$ 34,190	\$ 271,895	\$ 80,454	\$ 95,427	\$ 175,881	\$ 447,776	\$ 403,783
Total allocations and expenses	\$ 651,546	\$ 119,116	\$ 52,248	\$ 34,190	\$ 857,100	\$ 80,454	\$ 95,427	\$ 175,881	\$ 1,032,981	\$ 1,018,919
DESIGNATIONS BY DONORS	79,769	0	0	0	79,769	0	0	0	79,769	88,158
Total	\$ 731,315	\$ 119,116	\$ 52,248	\$ 34,190	\$ 936,869	\$ 80,454	\$ 95,427	\$ 175,881	\$ 1,112,750	\$ 1,107,077

KIRCALDIE, RANDALL & McNAB LLC

UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2012
(with summarized financial information for the year ended June 30, 2011)

	<u>2012</u>	<u>2011</u>
Cash Flows From Operating Activities:		
Changes in Net Assets	\$ 47,910	\$ 57,322
Adjustments to reconcile changes in net assets:		
Depreciation	16,677	19,833
Unrealized (gains) losses on investments	21,282	(98,262)
Realized (gains) losses on investments	(13,732)	(4,108)
Pledges receivable	(119,742)	8,368
Other current assets	117	(1,408)
Allocations payable	52,853	66,913
Accounts payable	(7,820)	17,997
Due to affiliates	1,709	(562)
Net cash provided (used) by operating activities	<u>\$ (746)</u>	<u>\$ 66,093</u>
Cash Flows From Investing Activities:		
Purchase of plant and equipment	\$ (29,102)	\$ (36,066)
Purchase of investments	(166,080)	(85,180)
Change in cash invested	(615)	(814)
Redemptions of investments	148,585	68,475
Net cash (used) by investing activities	<u>\$ (47,212)</u>	<u>\$ (53,585)</u>
Cash Flows From Financing Activities:		
New borrowing	\$ 0	\$ 9,148
Payments on note payable	(3,049)	(1,779)
Payments on mortgage payable	(6,813)	(6,342)
Net cash provided (used) by financing activities	<u>\$ (9,862)</u>	<u>\$ 1,027</u>
Net increase (decrease) in cash	\$ (57,820)	\$ 13,535
Cash and cash equivalents, beginning of year	463,814	450,279
Cash and cash equivalents, end of year	<u>\$ 405,994</u>	<u>\$ 463,814</u>
Supplemental Disclosures of Cash Flows:		
Interest paid	<u>\$ 10,980</u>	<u>\$ 11,451</u>

KIRCALDIE, RANDALL & MGNAB LLC

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

United Way of West Central Connecticut, Inc. supports 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, 2011, 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, 2012 and 2011;

	<u>2012</u>	<u>Interest</u>	<u>2011</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	(12,961)	0.00%	79,562	0.00%
Cash-Money Market-Webster Bank	85,054	0.10%	85,054	0.20%
Cash-Savings-Webster Bank	13,763	0.20%	12,159	0.09%
Cash-CD Savings-Thomaston Bank	54,052	0.30%	53,857	0.45%
Cash-CD Savings-Thomaston Bank	75,080	0.30%	74,791	0.45%
Cash-CD Savings Farmington Bank	<u>57,993</u>	0.35%	<u>57,819</u>	0.35%
Total unrestricted	<u>\$ 273,381</u>		<u>\$ 363,642</u>	
Restricted Cash				
Cash-CD Savings-Webster Bank-Barnes Campaign	122,560	0.04%	98,276	0.10%
Cash-Checking-New England Bank- Rental	<u>10,053</u>	0.00%	<u>1,896</u>	0.00%
Total restricted	<u>\$ 132,613</u>		<u>\$ 100,172</u>	
Total cash and equivalents	<u>\$ 405,994</u>		<u>\$ 463,814</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, 2012 and 2011;

	<u>2012</u>	<u>Interest</u>	<u>2011</u>	<u>Interest</u>
	<u>Balance</u>	<u>Rate</u>	<u>Balance</u>	<u>Rate</u>
Invested Cash				
Cash-CD Savings-Farmington Bank	\$ 35,707	0.70%	\$ 35,444	1.01%
Cash-CD Savings-Farmington Bank	60,437	0.89%	60,082	0.89%
Cash-Savings-New England Bank- Campership	<u>52,744</u>	2.29%	<u>52,747</u>	2.29%
Total invested cash	<u>\$ 148,888</u>		<u>\$ 148,273</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, 2011, the Investments held had a cost value of \$774,163 and a market value of \$788,031 having an unrealized gain at June 30, 2011, of \$13,868. At June 30, 2012, the Investments held had a cost of \$805,390 and a market value of \$797,976 resulting in an unrealized loss at June 30, 2012, of \$7,414.

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 2012 (Fall 2011 campaign) have been accrued at June 30, 2012, and public support recognized in the fiscal year 2011 (Fall 2010 campaign) have been accrued at June 30, 2011, 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, 2013 fiscal year even though the income providing this funding is recognized as revenue in the June 30, 2012 period. Accordingly, these amounts of Initiative funding cannot be accrued as an allocation as of June 30, 2012.

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 2006 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 2011 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, 2012 and 2011 are as follows:

	<u>2012</u>	<u>2011</u>
Outstanding Pledges:		
2012 Campaign	\$ 2,112	\$
2011 Campaign	440,736	
2010 Campaign	60,006	374,790
2009 Campaign		31,265
Total Pledge receivable	<u>\$ 502,854</u>	<u>\$ 406,055</u>
Allowance for Uncollectible:		
2011 Campaign	\$ 40,000	\$
2010 Campaign	40,000	40,000
2009 Campaign		20,000
Total allowance	<u>\$ 80,000</u>	<u>\$ 60,000</u>
Net United Way campaign pledge receivable	\$ 422,854	\$ 346,055
Barnes National Pledge campaign	<u>381,662</u>	<u>338,719</u>
Net operating pledge receivable	\$ 804,516	\$ 684,774
Building purchase campaign	<u>16,000</u>	<u>16,000</u>
Net pledge receivable	<u>\$ 820,516</u>	<u>\$ 700,774</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 \$79,769 and \$88,158 at June 30, 2012 and 2011, 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 2012 and 2011, amounted to \$16,393 and \$15,497, 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:

	2012		
	<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>63,726</u>	<u>15,486</u>	<u>79,212</u>
	\$ 63,726	\$ 478,392	\$542,118
Less, accumulated depreciation	<u>55,612</u>	<u>103,563</u>	<u>159,175</u>
Net plant and equipment	<u>\$ 8,114</u>	<u>\$ 374,829</u>	<u>\$382,943</u>

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

	2011		
	<u>Operations</u>	<u>Building</u>	<u>Total</u>
Land	\$	\$ 8,800	\$ 8,800
Building		49,384	49,384
Building Improvements		353,127	353,127
Furniture		24,603	24,603
Equipment	<u>61,616</u>	<u>15,486</u>	<u>77,102</u>
	\$ 61,616	\$ 451,400	\$513,016
Less, accumulated depreciation	<u>51,202</u>	<u>91,296</u>	<u>142,498</u>
Net plant and equipment	<u>\$ 10,414</u>	<u>\$ 360,104</u>	<u>\$370,518</u>

During the 2012 fiscal year, the United Way added the following items to their plant and equipment: \$2,110 for new computers, and \$25,992 in building improvements.

There was no old equipment that was retired in the June 30, 2012 fiscal year.

During the 2011 fiscal year, the United Way added the following items to their plant and equipment: \$36,066 in building improvements.

There was no old equipment retired during the June 30, 2011, fiscal year end.

Depreciation expense for the years ended June 30, 2012 and 2011, as follows:

	<u>2012</u>	<u>2011</u>
Operations	\$ 4,410	\$ 4,979
Building	<u>12,267</u>	<u>14,854</u>
Total depreciation expense	<u>\$ 16,677</u>	<u>\$ 19,833</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, 2012, was \$68,610. There was \$67,800 rent collected in the June 30, 2011 fiscal year end.

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

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, 2012 and June 30, 2011, the cash balances did not exceed the insured limit of \$250,000.

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 of West Central Connecticut, Inc., at June 30, 2012 and 2011;

	2012		
	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gain (Loss)</u>
TD Ameritrade	\$ 11,571	\$ 14,152	\$ 2,581
Metlife Securities	606,324	610,966	4,642
Main Street Community Foundation	<u>187,495</u>	<u>172,858</u>	<u>(14,637)</u>
	<u>\$ 805,390</u>	<u>\$ 797,976</u>	<u>\$ (7,414)</u>

Investment income of \$39,549 was earned in the 2012 fiscal year end. There were investments that were sold during the fiscal year ended June 30, 2012, which resulted in a realized gain of \$13,732. Investment fees were paid during the June 30, 2012 fiscal year end amounting to \$7,413.

	2011		
	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gain (Loss)</u>
TD Ameritrade	\$ 7,707	\$ 10,711	\$ 3,004
Linsco Private Ledger	581,714	605,243	23,529
Main Street Community Foundation	<u>184,742</u>	<u>172,077</u>	<u>(12,665)</u>
	<u>\$ 774,163</u>	<u>\$ 788,031</u>	<u>\$ 13,868</u>

Investment income of \$27,859 was earned in the 2011 fiscal year end. There were investments that were sold during the fiscal year ended June 30, 2011, which resulted in a realized loss of \$4,108. Investment fees were paid during the June 30, 2011 fiscal year end amounting to \$6,064.

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;

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

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);

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:

	2012		Unrealized
	<u>Book Value</u>	<u>Market Value</u>	<u>Gain (Loss)</u>
Equity securities	\$ 545,066	\$ 552,289	\$ 7,223
Mutual funds & money market funds	<u>260,324</u>	<u>245,687</u>	<u>(14,637)</u>
	<u>\$ 805,390</u>	<u>\$ 797,976</u>	<u>\$ (7,414)</u>

	2011		Unrealized
	<u>Book Value</u>	<u>Market Value</u>	<u>Gain (Loss)</u>
Equity securities	\$ 573,165	\$ 599,698	\$ 26,533
Mutual funds & money market funds	<u>200,998</u>	<u>188,333</u>	<u>(12,665)</u>
	<u>\$ 774,163</u>	<u>\$ 788,031</u>	<u>\$ 13,868</u>

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

	<u>2012</u>	<u>2011</u>
Investment income	\$ 23,083	\$ 20,273
Realized gains (losses)	13,732	4,108
Interest cash equivalents	<u>2,733</u>	<u>3,478</u>
Total	<u>\$ 39,548</u>	<u>\$ 27,859</u>
Unrealized gain (loss)	<u>\$ (21,282)</u>	<u>\$ 98,262</u>
Investment related fees	<u>\$ 7,413</u>	<u>\$ 6,064</u>

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

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 \$205,169 as of June 30, 2012. This balance is made up of \$62,500 of advances on the campaign to be run in the fall of 2012, \$92,669 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.

Temporarily restricted net assets amounted to \$212,735, as of June 30, 2011. This balance is made up of \$65,000 of advances on the campaign to be run in the fall of 2011, \$97,735 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, 2012 and 2011, \$70,066 and \$177,718, 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, 2012, fiscal year end was: campaign advances \$65,000 and \$5,066 released from program restricted funds. The breakdown of the temporarily restrictions for the June 30, 2011 fiscal year end was; campaign advances \$76,562 and \$101,156 for release of custodial funds.

NOTE 11 - PERMANENTLY RESTRICTED NET ASSETS:

The permanently restricted net assets balance as of June 30, 2012 and 2011 is made up as follows:

	<u>2012</u>	<u>2011</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.

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

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 \$885,129, and \$832,276 were allocated to designated agencies as payable on June 30, 2012 and 2011, 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, 2012 and 2011 respectively.

A breakdown of the allocations payable is as follows:

	<u>2012</u>	<u>2011</u>
Campaign Allocations payable	\$ 381,658	\$ 395,629
Barnes Allocations payable	501,049	436,647
NE Bank Allocations payable	<u>2,422</u>	<u>0</u>
Total Allocations payable	<u>\$ 885,129</u>	<u>\$ 832,276</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, 2012, there was \$6,813 of payments applied against principal. The balance of the mortgage note at year end was \$204,815. Interest paid for the 2012 fiscal year amounted to \$10,980.

During the year ended June 30, 2011, there was \$6,342 of payments applied against principal, leaving a balance of \$211,628 at June 30, 2011. Interest paid for the 2011 fiscal year amounted to \$11,451. The mortgage payable over the next five years is as follows

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>
June 30, 2013	\$ 7,212	\$ 10,580
June 30, 2014	7,599	10,193
June 30, 2015	8,008	9,784
June 30, 2016	8,439	9,353
June 30, 2017	8,893	8,899
Thereafter	<u>164,664</u>	<u>25,476</u>
	<u>\$ 204,815</u>	<u>\$ 74,285</u>

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

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. A breakdown of the note payable over the next 2 years is as follows:

<u>Year Ended</u>	<u>Principal</u>
June 30, 2013	\$ 3,049
June 30, 2014	<u>1,271</u>
Total	<u>\$ 4,320</u>

NOTE 16-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, 2012 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2013	<u>\$ 2,796</u>

NOTE 17 -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, 2012 fiscal year were as follows:

The William Caspar Graustein Memorial Fund provided funding for early childhood capacity building in Bristol and Plymouth. Bristol received \$50,000, and Plymouth received \$25,000.00.

The State of Connecticut, Connecticut Education Resource Center, provided funding for two Parent Leadership Training classes held in the winter/spring of 2011. United Way of West Central Connecticut received \$32,600 for the Parent Leadership Training Institute.

Foodshare provided \$1,000 for a weekend backpack food program at Clara T. O’Connell School.

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

NOTE 18 - PROGRAM RESTRICTED FUNDS

These program restricted funds as of June 30, 2012 and 2011 were \$92,669 and \$103,784 respectively.

NOTE 19 -SUBSEQUENT EVENTS:

Subsequent events have been evaluated by management through November 8, 2012. The financial statements were available for issue on December 31, 2012.

UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.
ALLOCATIONS TO AGENCIES
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

<u>Agencies</u>	<u>Allocations Approved 2012/13</u>	<u>Allocations Approved 2011/12</u>
Bristol Adult Resource Center	\$ 18,571	\$ 26,867
Boys and Girls Club and Family Center of Bristol	79,114	90,496
Boys Scouts of America Ct Rivers Council	8,999	0
Bristol Community Organization	43,215	6,432
Bristol Preschool Child Care Center, Inc.	20,292	14,611
Catholic Charities	12,000	0
Connecticut Legal Services	6,468	4,730
Connecticut Community Care	0	34,379
Community Mental Health Affiliates	24,306	23,078
Greater Bristol Visiting Nurse Association, Inc.	0	19,111
Literacy Volunteers of Central CT	6,209	5,165
Living in Safe Alternatives (LISA)	0	15,989
Nutmeg Big Brother/Big Sister	6,188	4,357
Plainville Association of Retarded Citizens	3,104	9,771
Plainville Community Food Pantry	0	10,024
Plainville Day Care Center	9,104	8,488
Plymouth Community Food Pantry	4,036	3,421
Plymouth Family Resource Center	10,360	10,856
Prudence Crandall Center Inc	16,392	12,998
St Vincent DePaul Society of Bristol Inc	29,797	23,814
Salvation Army	10,411	9,476
Wheeler Clinic	49,104	42,320
Wheeler Regional YMCA	5,000	0
YWCA of New Britian	8,000	8,390
United Way Connecticut	10,988	10,856
Total allocation to agencies	<u>\$ 381,658</u>	<u>\$ 395,629</u>

KIRCALDIE, RANDALL & MGNAB LLC

UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.
FUNCTIONAL EXPENSES (OVERHEAD) CALCULATION
FOR THE YEAR ENDED JUNE 30, 2012
(with summarized financial information for the year ended June 30, 2011)

	<u>2012</u>		<u>2011</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
REVENUES:				
Total Revenue	\$ 1,167,298		\$ 1,098,300	
Gross revenue	<u>\$ 1,167,298</u>	<u>100.00</u>	<u>\$ 1,098,300</u>	<u>100.00</u>
EXPENSES:				
Allocations and Functional Expenses:				
Allocations:				
Allocations to agencies from campaign	381,658		395,629	
Donor designated allocations	79,769		88,158	
Special allocations	203,547		219,507	
Total allocations	<u>\$ 664,974</u>	<u>56.97</u>	<u>\$ 703,294</u>	<u>64.03</u>
Functional expenses:				
Allocations and agency relations	\$ 66,341		\$ 55,116	
Community services	119,116		96,768	
Bristol discovery grant initiative	52,248		43,369	
Plymouth discovery grant initiative	34,190		30,681	
Total program services expenses	<u>\$ 271,895</u>	<u>23.29</u>	<u>\$ 225,934</u>	<u>20.57</u>
Fund raising	\$ 80,454		\$ 81,346	
Management and general	95,427		96,503	
Total support services expenses	<u>\$ 175,881</u>	<u>15.07</u>	<u>\$ 177,849</u>	<u>16.19</u>
Total functional expenses	<u>\$ 447,776</u>	<u>38.36</u>	<u>\$ 403,783</u>	<u>36.76</u>
Total donor designated and expenses	<u>\$ 1,112,750</u>	<u>95.33</u>	<u>\$ 1,107,077</u>	<u>100.79</u>
Increase in net assets by campaign/allocation	\$ 54,548	<u>4.67</u>	\$ (8,777)	<u>-0.79</u>
Net rental income	14,644		(32,163)	
Unrealized gains or (losses) from investments	(21,282)		98,262	
Increase in net assets	<u>\$ 47,910</u>		<u>\$ 57,322</u>	

KIRCALDIE, RANDALL & MGNAB LLC

UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.
SCHEDULE OF BUILDING RENTAL ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2012
(with summarized financial information for June 30, 2011)

	2012	2011
Revenue, Gains, and Other Support:		
Contributions	\$ 0	\$ 0
Rents	68,610	67,800
Insurance proceeds	31,390	6,123
Total Revenue	\$ 100,000	\$ 73,923
 Expenses:		
Utilities:		
Water and sewer	\$ 596	\$ 463
Heat, oil, & gas	16,802	22,580
Electricity	10,278	12,369
Total utilities	\$ 27,676	\$ 35,412
Trash removal	1,526	1,526
Snow removal	931	3,072
Bookkeeping	0	226
General maintenance	16,445	26,047
Repairs	233	0
Service contracts	3,913	2,588
Housekeeping	10,103	9,756
Insurance	1,282	1,154
Interest	10,980	11,451
Depreciation	12,267	14,854
Total Expenses	\$ 85,356	\$ 106,086
Profit (loss)	\$ 14,644	\$ (32,163)

KIRCALDIE, RANDALL & MGNAB LLC