

**UNITED WAY OF WEST CENTRAL  
CONNECTICUT, INC.**  
*Financial Statements*  
**June 30, 2015**

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

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# 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 financial statements of United Way of West Central Connecticut, Inc., (a nonprofit organization) which comprise the statement of financial position as of June 30, 2015, 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, 2014 financial statements and, in our report dated November 24, 2014, 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, 2015, 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 5, 2015

**UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2015**

*(with summarized financial information for June 30, 2014)*

	<b>2015</b>	<b>2014</b>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 309,206	\$ 278,242
Cash-invested	148,350	148,895
Investments, at market values	844,678	890,054
Pledges receivable	591,049	604,163
Other current assets	12,118	5,500
Total current assets	\$ 1,905,401	\$ 1,926,854
<b>Plant and Equipment:</b>		
Plant and equipment	\$ 68,146	\$ 546,538
Less - Accumulated depreciation	64,422	192,673
Less - Impairment loss	0	198,000
Net plant and equipment	\$ 3,724	\$ 155,865
Total assets	\$ 1,909,125	\$ 2,082,719
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Allocations payable to designated agencies	\$ 748,576	\$ 699,115
Mortgage payable-due within one year	0	8,008
Accounts payable and accruals	14,816	17,457
Due to affiliates	3,671	4,289
Total current liabilities	\$ 767,063	\$ 728,869
<b>Long term liabilities</b>		
Mortgage payable	0	182,478
Total liabilities	\$ 767,063	\$ 911,347
<b>NET ASSETS</b>		
<b>Net assets:</b>		
<b>Unrestricted:</b>		
Unappropriated	\$ 573,766	\$ 547,584
Designated-Investment in plant and equipment	3,724	5,032
Designated-Board community initiatives	87,192	85,574
Total unrestricted net assets	\$ 664,682	\$ 638,190
<b>Temporarily restricted:</b>	136,593	192,395
<b>Permanently restricted:</b>	340,787	340,787
Total net assets	\$ 1,142,062	\$ 1,171,372
Total liabilities and net assets	\$ 1,909,125	\$ 2,082,719

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, 2015**

*(with summarized financial information for the year ended June 30, 2014)*

	2015			2014	
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Combined Totals</u>	<u>Combined Totals</u>
<b>Revenues, Gains, and Other Support:</b>					
<b>Campaign applicable to current period:</b>					
Contributions					
Campaign	\$ 670,124	\$ 7,948	\$ 0	\$ 678,072	\$ 750,399
Net assets released from restriction	63,750	(63,750)	0	0	0
Gross Contributions	<u>\$ 733,874</u>	<u>\$ (55,802)</u>	<u>\$ 0</u>	<u>\$ 678,072</u>	<u>\$ 750,399</u>
Uncollectible pledge expense	(35,977)	0	0	(35,977)	(18,010)
Net Contributions	<u>\$ 697,897</u>	<u>\$ (55,802)</u>	<u>\$ 0</u>	<u>\$ 642,095</u>	<u>\$ 732,389</u>
<b>Other Support:</b>					
Special contributions	\$ 189,295	\$ 0	\$ 0	\$ 189,295	\$ 184,289
Interest and investment income	56,904	0	0	56,904	68,839
Support activities income	59,064	0	0	59,064	51,094
Administrative fees	25,741	0	0	25,741	8,917
Miscellaneous income	19,698	0	0	19,698	5,635
Total other support	<u>\$ 350,702</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 350,702</u>	<u>\$ 318,774</u>
Total revenue	<u>\$ 1,048,599</u>	<u>\$ (55,802)</u>	<u>\$ 0</u>	<u>\$ 992,797</u>	<u>\$ 1,051,163</u>
<b>Allocations and Other Functional Expenses:</b>					
<b>Allocations:</b>					
Allocations to agencies from campaign	\$ 310,115	\$ 0	\$ 0	\$ 310,115	\$ 305,084
Community initiatives	160,678	0	0	160,678	145,655
Designations by Donors	102,690	0	0	102,690	144,586
Total allocations	<u>\$ 573,483</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 573,483</u>	<u>\$ 595,325</u>
<b>Other functional expenses:</b>					
Allocations and Agency relations	\$ 50,161	\$ 0	\$ 0	\$ 50,161	\$ 67,190
Community Services	144,474	0	0	144,474	122,528
Bristol Discovery Grant Initiative	45,052	0	0	45,052	54,413
Plymouth Discovery Grant Initiative	52,832	0	0	52,832	55,086
Total program services expenses	<u>\$ 292,519</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 292,519</u>	<u>\$ 299,217</u>
Fund raising	\$ 77,734	\$ 0	\$ 0	77,734	77,047
Management and general	77,684	0	0	77,684	99,729
Total support services expenses	<u>\$ 155,418</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 155,418</u>	<u>\$ 176,776</u>
Total other functional expenses	<u>\$ 447,937</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 447,937</u>	<u>\$ 475,993</u>
Total allocations and expenses	<u>\$ 1,021,420</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,021,420</u>	<u>\$ 1,071,318</u>
<b>Change in Net Assets from Operations</b>	<u>\$ 27,179</u>	<u>\$ (55,802)</u>	<u>\$ 0</u>	<u>\$ (28,623)</u>	<u>\$ (20,155)</u>
Net rental income, per schedule	39,801	0	0	39,801	(34,372)
Unrealized gains and (losses) from investments	(40,488)	0	0	(40,488)	29,238
Impairment loss	0	0	0	0	(198,000)
<b>Change in Net Assets</b>	<u>\$ 26,492</u>	<u>\$ (55,802)</u>	<u>\$ 0</u>	<u>\$ (29,310)</u>	<u>\$ (223,289)</u>
<b>Net Assets, beginning of year</b>	638,190	192,395	340,787	1,171,372	1,394,661
<b>Net Assets, end of year</b>	<u>\$ 664,682</u>	<u>\$ 136,593</u>	<u>\$ 340,787</u>	<u>\$ 1,142,062</u>	<u>\$ 1,171,372</u>

KIRCALDIE, RANDALL & McNAB LLC

UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.  
 STATEMENT OF FUNCTIONAL EXPENSES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
*(with summarized financial information for the year ended June 30, 2014)*

	PROGRAM SERVICES					SUPPORT SERVICES			2015 TOTAL	2014 TOTAL
	ALLOCATIONS AND AGENCY RELATIONS	COMMUNITY SERVICES	BRISTOL DISCOVERY GRANT	PLYMOUTH DISCOVERY GRANT	TOTAL	FUND RAISING	AND GENERAL	MANAGEMENT TOTAL		
ALLOCATIONS TO AGENCIES	\$ 310,115				\$ 310,115				\$ 310,115	\$ 305,084
COMMUNITY INITATIVES	\$ 160,678				\$ 160,678				\$ 160,678	\$ 145,655
DESIGNATIONS BY DONORS	\$ 102,690				\$ 102,690				\$ 102,690	\$ 144,586
<b>COMMUNITY &amp; AGENCY SERVICES PROVIDED BY THE UNITED WAY:</b>										
<b>SALARIES AND RELATED EXPENSES:</b>										
Salaries	\$ 26,515	\$ 90,681	\$ 0	\$ 0	\$ 117,196	\$ 34,691	\$ 38,743	\$ 73,434	\$ 190,630	\$ 192,900
Employee Benefits	4,081	13,955	0	0	18,036	5,339	5,962	11,301	29,337	37,680
Payroll Taxes	2,729	9,332	0	0	12,061	3,570	3,987	7,557	19,618	20,743
Total salaries and related expenses	\$ 33,325	\$ 113,968	\$ 0	\$ 0	\$ 147,293	\$ 43,600	\$ 48,692	\$ 92,292	\$ 239,585	\$ 251,323
<b>OTHER EXPENSES:</b>										
Accounting Services	\$ 960	\$ 1,920	\$ 0	\$ 0	2,880	\$ 1,600	\$ 1,920	3,520	\$ 6,400	\$ 7,147
Conferences and Meetings	437	875	2,064	0	3,376	729	875	1,604	4,980	3,883
Office Supplies & Expenses	2,399	4,800	9,656	341	17,196	4,000	4,800	8,800	25,996	42,331
Publicity and promotion	3,174	3,175	0	0	6,349	4,715	0	4,715	11,064	12,304
Rent	4,186	8,374	0	0	12,560	6,978	8,374	15,352	27,912	27,216
Telephone	468	937	0	0	1,405	781	937	1,718	3,123	2,661
Postage	1,187	2,376	0	0	3,563	1,980	2,376	4,356	7,919	9,720
Professional Fees	2,939	5,879	0	100	8,918	4,899	5,879	10,778	19,696	21,051
Early Childhood Coordinator	0	0	33,332	52,391	85,723	0	0	0	85,723	83,205
Insurance	889	1,778	0	0	2,667	1,483	1,778	3,261	5,928	2,682
Membership fees	0	0	0	0	0	6,642	1,661	8,303	8,303	9,227
Total other expenses	\$ 16,639	\$ 30,114	\$ 45,052	\$ 52,832	\$ 144,637	\$ 33,807	\$ 28,600	\$ 62,407	\$ 207,044	\$ 221,427
<b>Depreciation</b>	197	392	0	0	589	327	392	719	1,308	3,243
Total community and agency services expenses	\$ 50,161	\$ 144,474	\$ 45,052	\$ 52,832	\$ 292,519	\$ 77,734	\$ 77,684	\$ 155,418	\$ 447,937	\$ 475,993
Total	\$ 623,644	\$ 144,474	\$ 45,052	\$ 52,832	\$ 866,002	\$ 77,734	\$ 77,684	\$ 155,418	\$ 1,021,420	\$ 1,071,318

KIRCALDIE, RANDALL & McNAB LLC

**UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
*(with summarized financial information for the year ended June 30, 2014)*

	<u>2015</u>	<u>2014</u>
<b>Cash Flows From Operating Activities:</b>		
Changes in Net Assets	\$ (29,310)	\$ (223,289)
Adjustments to reconcile changes in net assets:		
Depreciation	1,308	16,241
Unrealized (gains) losses on investments	40,706	(29,238)
Realized (gains) losses on investments	(14,595)	10,559
Realized (gains) losses on plant and equipment	4,950	0
Impairment loss	0	198,000
Pledges receivable	13,114	187,655
Other current assets	(6,618)	2,895
Allocations payable	49,461	(237,311)
Accounts payable	(2,641)	3,870
Due to affiliates	(618)	(4,467)
Net cash provided (used) by operating activities	<u>\$ 55,757</u>	<u>\$ (75,085)</u>
<b>Cash Flows From Investing Activities:</b>		
Purchase of plant and equipment	\$ 0	\$ (4,420)
Sale of plant and equipment	150,000	0
Purchase of investments	(201,884)	(238,221)
Change in cash invested	(545)	463
Redemptions of investments	218,122	220,737
Net cash provided (used) by investing activities	<u>\$ 165,693</u>	<u>\$ (21,441)</u>
<b>Cash Flows From Financing Activities:</b>		
Payments on note payable	\$ 0	\$ (1,271)
Payments on mortgage payable	(190,486)	(7,434)
Net cash provided (used) by financing activities	<u>\$ (190,486)</u>	<u>\$ (8,705)</u>
<b>Net increase (decrease) in cash</b>	<b>\$ 30,964</b>	<b>\$ (105,231)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>278,242</b>	<b>383,473</b>
<b>Cash and cash equivalents, end of year</b>	<u><b>\$ 309,206</b></u>	<u><b>\$ 278,242</b></u>
<b>Supplemental Disclosures of Cash Flows:</b>		
Interest paid	<u>\$ 7,510</u>	<u>\$ 10,432</u>



**UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

United Way of West Central Connecticut, Inc. (The “United Way”) supports 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, 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, 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’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 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 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, 2014, from which the summarized information was derived.

**UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**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, 2015 and 2014;

	<b><u>2015</u></b>	<b><u>Interest</u></b>	<b><u>2014</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	75,806	0.00%	40,711	0.00%
Cash-Money Market-Webster Bank	5,054	0.10%	5,054	0.10%
Cash-Savings-Webster Bank	984	0.01%	16,592	0.01%
Cash-CD-Thomaston Bank	54,478	0.25%	54,342	0.25%
Cash-CD-Thomaston Bank	75,661	0.25%	75,472	0.25%
Cash-CD-Farmington Bank	4,749	0.20%	4,739	0.22%
Total unrestricted	<u>\$ 217,132</u>		<u>\$ 197,310</u>	
Restricted Cash				
Cash-Savings-Webster Bank-Barnes Campaign	<u>\$ 85,604</u>	0.02%	<u>\$ 74,219</u>	0.02%
Custodial Cash				
Cash-Checking-Thomaston Bank-PECC	5,610	0.00%	5,636	0.00%
Cash-Checking-United Bank-Rental	860	0.00%	1,077	0.00%
Total custodial cash	<u>\$ 6,470</u>		<u>\$ 6,713</u>	
Total cash and equivalents	<u>\$ 309,206</u>		<u>\$ 278,242</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, 2015 and 2014;

	<b><u>2015</u></b>	<b><u>Interest</u></b>	<b><u>2014</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-Farmington Bank	\$ 36,199	0.35%	\$ 36,069	0.40%
Cash-CD-Farmington Bank	61,082	0.25%	60,930	0.25%
Cash-CD-United Bank-Campership	51,069	0.80%	51,896	0.80%
Total invested cash	<u>\$ 148,350</u>		<u>\$ 148,895</u>	

**UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**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, 2015, the Investments held had a cost value of \$822,508 and a market value of \$844,678 having an unrealized gain at June 30, 2015, of \$22,170. At June 30, 2014, the Investments held had a cost of \$827,396 and a market value of \$890,054 resulting in an unrealized gain at June 30, 2014, of \$62,658.

**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**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**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 2015 (Fall 2014 campaign) have been accrued at June 30, 2015, and public support recognized in the fiscal year 2014 (Fall 2013 campaign) have been accrued at June 30, 2014, 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, 2016 fiscal year even though the income providing this funding is recognized as revenue in the June 30, 2015 period. Accordingly, these amounts of Initiative funding cannot be accrued as an allocation as of June 30, 2015.

**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 2012 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.

**Revenue Recognition**

Revenue for interest and investment income, support activities, administration fees and miscellaneous income are recognized as the income is earned.

**UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**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 2014 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, 2015 and 2014 are as follows:

	<u>2015</u>	<u>2014</u>
Outstanding Pledges:		
2014 Campaign	\$ 350,718	\$
2013 Campaign	23,596	336,465
2012 Campaign		71,084
Total Pledge receivable	<u>\$ 374,314</u>	<u>\$ 407,549</u>
Allowance for Uncollectible:		
2014 Campaign	\$ 40,000	\$
2013 Campaign	15,000	40,000
2012 Campaign		40,000
Total allowance	<u>\$ 55,000</u>	<u>\$ 80,000</u>
Net United Way campaign pledge receivable	\$ 319,314	\$ 327,549
Barnes National Pledge campaign	<u>271,735</u>	<u>276,614</u>
Net operating pledge receivable	<u>\$ 591,049</u>	<u>\$ 604,163</u>

**UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**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 \$102,690 and \$110,944 at June 30, 2015 and 2014, 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 2015 and 2014, amounted to \$13,332 and \$15,302, 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:

	<b>2015</b>		
	<b><u>Operations</u></b>	<b><u>Building</u></b>	<b><u>Total</u></b>
Equipment	\$ 68,146	\$ 0	\$ 68,146
	\$ 68,146	\$ 0	\$ 68,146
Less, accumulated depreciation	<u>64,422</u>	<u>0</u>	<u>64,422</u>
Net plant and equipment	<u>\$ 3,724</u>	<u>\$ 0</u>	<u>\$ 3,724</u>

**UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<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>

During the 2015 fiscal year, the United Way did not add to their plant and equipment.

As noted in Note 17, on March 31, 2015 the United Way sold its building for \$150,000, resulting in an overall loss of \$4,950.

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 recognized in the June 30, 2014 year an impairment loss on the building and land due to the impending sale. The market value was determined in the 2014 year to have significantly declined, which led to the \$198,000 impairment loss.

There was no old equipment that was retired in the June 30, 2015 and June 30, 2014 fiscal years.

Depreciation expense for the years ended June 30, 2015 and 2014, as follows:

	<u>2015</u>	<u>2014</u>
Operations	\$ 1,308	\$ 3,243
Building	<u>0</u>	<u>12,998</u>
Total depreciation expense	<u>\$ 1,308</u>	<u>\$ 16,241</u>

**NOTE 6 - PROPERTY LEASES:**

The United Way occupies its office facilities at 200 Main Street. It owned and leased out its building to two other not-for-profit community organizations prior to selling its building on March 31, 2015.

The rental income collected from all tenants for the year ended June 30, 2015, was \$65,492. There was \$72,336 rent collected in the June 30, 2014 fiscal year end.

After March 31, 2015, the United Way leases its office space from an independent party on a month to month basis.

**UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**NOTE 7 - UNINSURED CASH BALANCES:**

The United Way maintains their cash in bank deposits at four (4) high credit quality financial institutions. The balance at times, may exceed federally insured limits. At June 30, 2015 and June 30, 2014, 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 AND FAIR VALUE MEASUREMENT:**

The following is a list of investments, by account, held by the United Way, at June 30, 2015 and 2014:

	<b>2015</b>		
	<b><u>Cost</u></b>	<b><u>Market Value</u></b>	<b><u>Unrealized Gain (Loss)</u></b>
TD Ameritrade	\$ 17,816	\$ 17,586	\$ (230)
LPL Financial	604,545	627,652	23,107
Main Street Community Foundation	<u>200,147</u>	<u>199,440</u>	<u>(707)</u>
	<u>\$ 822,508</u>	<u>\$ 844,678</u>	<u>\$ 22,170</u>

Net investment income of \$57,122 was earned in the 2015 fiscal year end. There were investments that were sold during the fiscal year ended June 30, 2015, which resulted in a realized gain of \$14,595. Investment fees were paid during the June 30, 2015 fiscal year end amounting to \$7,856.

	<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>
	<u>\$ 827,396</u>	<u>\$ 890,054</u>	<u>\$ 62,658</u>

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.

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:



**UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

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);

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.

	<b>2015</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
TD Ameritrade	\$ 17,586	\$ 0	\$ 0	\$ 17,586
LPL Financial	627,652	0	0	627,652
Main Street Community Foundation	<u>0</u>	<u>0</u>	<u>199,440</u>	<u>199,440</u>
Total	<u>\$645,238</u>	<u>\$ 0</u>	<u>\$199,440</u>	<u>\$844,678</u>

	<b>2014</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
TD Ameritrade	\$ 16,863	\$ 0	\$ 0	\$ 16,863
LPL Financial	673,047	0	0	673,047
Main Street Community Foundation	<u>0</u>	<u>0</u>	<u>200,144</u>	<u>200,144</u>
Total	<u>\$689,910</u>	<u>\$ 0</u>	<u>\$200,144</u>	<u>\$890,054</u>

Investments held for long-term purpose are classified as level 3 using figures provided by the third party. Details regarding investments held for long-term purpose measured at fair value on a recurring basis using significant unobservable inputs (level 3) are as follows:

June 30, 2013, value	\$ 181,219
Change in value	7,531
Investment income	18,743
Fees	(2,829)
Distribution	<u>(4,520)</u>
June 30, 2014, value	\$ 200,144
Change in value	217
Investment income	5,697
Fees	(2,198)
Distribution	<u>(4,420)</u>
June 30, 2015, value	<u>\$ 199,440</u>

There have been no changes in valuation techniques and related inputs used at June 30, 2015 and 2014.

**UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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, consisted of the following:

	<b>2015</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	\$ 608,598	\$ 631,475	\$ 22,877
Money market funds	213,910	213,203	(707)
	<b>\$ 822,508</b>	<b>\$ 844,678</b>	<b>\$ 22,170</b>

	<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
Money market funds	282,026	281,102	(924)
	<b>\$ 827,396</b>	<b>\$ 890,054</b>	<b>\$ 62,658</b>

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

	<b><u>2015</u></b>	<b><u>2014</u></b>
Investment income	\$ 41,886	\$ 77,862
Realized gains (losses)	14,595	(10,559)
Interest cash equivalents	423	1,536
Total	<b>\$ 56,904</b>	<b>\$ 68,839</b>
Unrealized gain (loss)	<b>\$ (40,488)</b>	<b>\$ 29,238</b>
Investment related fees	<b>\$ 7,856</b>	<b>\$ 8,323</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 \$136,593, as of June 30, 2015. This balance is made up of \$1,200 of advances on the campaign to be run in the fall of 2015, \$135,393 of program restricted funds.

**UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

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.

During the years ended June 30, 2015 and 2014, \$55,802 and \$43,000, 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, 2015, fiscal year end was: campaign advances \$13,750 and \$42,052 released from program restricted funds. The breakdown of the temporarily restrictions for the June 30, 2014, fiscal year end was; campaign advances \$43,000 and \$0 for release of program restricted funds.

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

The permanently restricted net assets balance as of June 30, 2015 and 2014 is made up as follows:

	<u>2015</u>	<u>2014</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 \$748,576, and \$699,115 were allocated to designated agencies as payable on June 30, 2015 and 2014, 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, 2015 and 2014 respectively.

**UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

A breakdown of the Allocations Payable is as follows:

	<u>2015</u>	<u>2014</u>
Campaign Allocations payable	\$ 310,115	\$ 305,084
Donor Designations	66,967	33,641
Barnes Allocations payable	<u>371,494</u>	<u>360,390</u>
Total Allocations payable	<u>\$ 748,576</u>	<u>\$ 699,115</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 were \$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 was subjected to an index rate change every five years thereafter until the mortgage note is paid off. The mortgage was a 20 year loan which would have been paid off in March of 2030. The monthly payments were \$1,483.

As noted in Note 17, the building which this mortgage was secured on was sold on March 31, 2015, for \$150,000. The mortgage balance was paid off. The mortgage principal paid in the 2015 fiscal year was \$190,486 and interest paid on the mortgage for the 2015 year was \$7,510.

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.

**NOTE 15 -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, 2015 fiscal year were as follows:

The William Caspar Graustein Memorial Fund provided funding for early childhood capacity building in Bristol and Plymouth. Bristol received \$27,647, and Plymouth received \$38,557.

**UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**NOTE 16 - PROGRAM RESTRICTED FUNDS:**

These program restricted funds as of June 30, 2015 and 2014 were \$135,393 and \$128,645 respectfully.

**NOTE 17 - BUILDING SALE:**

On March 31, 2015, The United Way sold the building for \$150,000. During the 2014 year the United Way recognized an impairment of \$198,000. The loss recognized is broken down as follows:

Cost of Building	\$ 478,392
Less, depreciation	129,559
Impairment loss	<u>198,000</u>
Net, cost	\$ 150,833
Expense of sale	<u>4,117</u>
	\$ 154,950
Sale price	<u>150,000</u>
Net loss	<u><u>\$ (4,950)</u></u>

**NOTE 18 - LEASING ARRANGEMENTS:**

The United Way maintains some equipment under long term equipment lease arrangements. Future minimum lease payments required under these equipment leases having an initial or remaining noncancellable lease term in excess of one year, as of June 30, 2015 are:

<b><u>Year Ending June 30,</u></b>	<b><u>Amount</u></b>
2016	\$ 2,449
2017	2,449
2018	<u>408</u>
	<u><u>\$ 5,306</u></u>

The equipment lease expenses were \$2,449 and \$2,449 for the years ended June 30, 2015 and 2014, respectively.

**NOTE 19 - SUBSEQUENT EVENTS:**

Subsequent events have been evaluated by management through November 5, 2015. The financial statements were available for issue on December 15, 2015.

**UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.  
 ALLOCATIONS TO AGENCIES AND COMMUNITY INITIATIVES  
 FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

<u>Agencies</u>	<u>Allocations Approved 2015/16</u>	<u>Allocations Approved 2014/15</u>
Bristol Adult Resource Center	\$ 10,000	\$ 15,300
Boys and Girls Club and Family Center of Bristol	51,850	64,175
Boys Scouts of America Ct Rivers Council	4,000	6,800
Bristol Community Organization	39,000	35,700
Bristol Hospital	8,000	0
Bristol Preschool Child Care Center, Inc.	12,000	15,300
Catholic Charities	8,000	10,200
Connecticut Legal Services	4,000	5,100
Community Mental Health Affiliates	15,000	20,400
Girl Scouts Council	4,000	0
Literacy Volunteers of Central CT	5,000	5,100
Nutmeg Big Brother/Big Sister	4,000	4,250
Plainville Association of Retarded Citizens	3,000	2,550
Plainville Early Learning Center	7,500	7,650
Plymouth Community Food Pantry	4,000	2,550
Plymouth Family Resource Center	8,500	8,500
Prudence Crandall Center Inc.	18,000	11,900
St. Vincent DePaul Society of Bristol Inc.	30,000	21,250
Salvation Army	8,500	8,500
Wheeler Clinic	45,000	37,400
Wheeler Regional YMCA	3,000	4,250
YWCA of New Britain	8,000	6,800
United Way of Connecticut	9,765	11,409
Total allocation to agencies	<u>\$ 310,115</u>	<u>\$ 305,084</u>
<u>Community Initiatives</u>		
Education	\$ 119,539	\$ 99,330
Income	32,562	0
Transportation	0	2,500
Health	8,577	43,825
Total allocation to community initiatives	<u>\$ 160,678</u>	<u>\$ 145,655</u>

KIRCALDIE, RANDALL & McNAB LLC

Schedule I

**UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.**  
**FUNCTIONAL EXPENSES (OVERHEAD) CALCULATION**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
*(with summarized financial information for the year ended June 30, 2014)*

	<b>2015</b>		<b>2014</b>	
	<b>AMOUNT</b>	<b>%</b>	<b>AMOUNT</b>	<b>%</b>
<b>REVENUES:</b>				
Total Revenue	\$ 992,797		\$ 1,051,163	
Gross revenue	\$ 992,797	100.00	\$ 1,051,163	100.00
<b>EXPENSES:</b>				
<b>Allocations and Functional Expenses:</b>				
<b>Allocations:</b>				
Allocations to agencies from campaign	310,115		305,084	
Donor designated allocations	102,690		144,586	
Special allocations	160,678		145,655	
Total allocations	\$ 573,483	57.76	\$ 595,325	56.63
<b>Functional expenses:</b>				
Allocations and agency relations	\$ 50,161		\$ 67,190	
Community services	144,474		122,528	
Bristol discovery grant initiative	45,052		54,413	
Plymouth discovery grant initiative	52,832		55,086	
Total program services expenses	\$ 292,519	29.46	\$ 299,217	28.47
Fund raising	\$ 77,734		\$ 77,047	
Management and general	77,684		99,729	
Total support services expenses	\$ 155,418	15.65	\$ 176,776	16.82
Total functional expenses	\$ 447,937	45.12	\$ 475,993	45.28
Total donor designated and expenses	\$ 1,021,420	102.88	\$ 1,071,318	101.91
Increase in net assets by campaign/allocation	\$ (28,623)	-2.88	\$ (20,155)	-1.91
Net rental income	39,801		(34,372)	
Unrealized gains or (losses) from investments	(40,488)		29,238	
Impairment loss	0		(198,000)	
Decrease in net assets	\$ (29,310)		\$ (223,289)	

KIRCALDIE, RANDALL & MGNAB LLC

Schedule II

**UNITED WAY OF WEST CENTRAL CONNECTICUT, INC.**  
**SCHEDULE OF BUILDING RENTAL ACTIVITY**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
*(with summarized financial information for June 30, 2014)*

	2015	2014
<b>Revenue, Gains, and Other Support:</b>		
Rents	\$ 95,492	\$ 72,336
(Loss) on sale of building	(4,950)	0
Total Revenue	\$ 90,542	\$ 72,336
 <b>Expenses:</b>		
Utilities:		
Water and sewer	\$ 516	\$ 624
Heat, oil, & gas	13,251	28,387
Electricity	10,135	13,100
Total utilities	\$ 23,902	\$ 42,111
Trash removal	1,172	1,544
Snow removal	3,089	2,026
Office expenses	139	0
General maintenance	3,077	5,581
Service contracts	3,041	2,899
Housekeeping	7,245	9,989
Insurance	1,566	3,128
Interest	7,510	10,432
Bad debts	0	16,000
Depreciation	0	12,998
Total Expenses	\$ 50,741	\$ 106,708
Profit (loss)	\$ 39,801	\$ (34,372)

KIRCALDIE, RANDALL & MGNAB LLC

Schedule III