

UNITED WAY OF WESTERN
CONNECTICUT, INC.

Financial Statements

(with Independent Auditor's Report thereon)

YEAR ENDED JUNE 30, 2015
(with comparative totals for 2014)

FRIEDBERG, SMITH & Co., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

UNITED WAY OF WESTERN CONNECTICUT, INC.

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FRIEDBERG, SMITH & Co., P.C.

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Independent Auditor's Report

The Board of Directors
United Way of Western Connecticut, Inc.
Danbury, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of United Way of Western Connecticut, Inc. (United Way) which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial 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 the 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 judgment, 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 appropriate to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are relevant 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.

The Board of Directors
United Way of Western Connecticut, Inc.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Western Connecticut, Inc. as of June 30, 2015 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited United Way's financial statements as of and for the year ended June 30, 2014 and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 13, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived (Note 15).

Griedberg Smith & Co., P.C.

November 5, 2015

UNITED WAY OF WESTERN CONNECTICUT, INC.**STATEMENTS OF FINANCIAL POSITION****JUNE 30, 2015****(with comparative totals for 2014)**

	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>		
Cash and Cash Equivalents (Notes 2 and 3)	\$ 606,384	\$ 1,078,005
Investments (Notes 2 and 4)	2,613,084	2,742,877
Promises to Give, Net of Allowance for uncollectible promises of \$111,800 in 2015 and \$122,467 in 2014 (Notes 2 and 5)	661,239	616,696
Designations Receivable, Net of Allowance for uncollectible designations of \$25,697 in 2015 and \$48,300 in 2014 (Note 6)	106,918	103,905
Prepaid Expenses and Other Assets	217,377	165,926
Security Deposit (Note 12)	15,000	15,000
Land, Building and Equipment, Net (Notes 2, 7 and 12)	632,976	658,239
Agency Assets (Note 8)	<u>95,510</u>	<u>153,148</u>
TOTAL ASSETS	<u>\$ 4,948,488</u>	<u>\$ 5,533,796</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>Liabilities</u>		
Accounts Payable and Accrued Expenses	\$ 154,528	\$ 194,953
Revenue Received in Advance (Note 2)	39,953	16,100
Community Impact Grants and Other Distributions Payable (Note 2)	946,227	1,019,094
Refundable Advances on Grants (Note 9)	112,962	25,000
Agency Liabilities (Note 8)	<u>95,510</u>	<u>153,148</u>
Total Liabilities	<u>1,349,180</u>	<u>1,408,295</u>
 <u>Net Assets (Notes 2, 10, 12 and 14)</u>		
<u>Unrestricted:</u>		
Net Investment in Land, Building and Equipment	632,976	658,239
Board Designated - Children's Programs and Services	869,124	1,166,236
Board Designated - Other	1,952,449	1,756,116
Undesignated - Available for Operations	<u>50,000</u>	<u>423,059</u>
Total Unrestricted	3,504,549	4,003,650
Temporarily Restricted	<u>94,759</u>	<u>121,851</u>
Total Net Assets	<u>3,599,308</u>	<u>4,125,501</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,948,488</u>	<u>\$ 5,533,796</u>

UNITED WAY OF WESTERN CONNECTICUT, INC.

STATEMENTS OF ACTIVITIES
YEAR ENDED JUNE 30, 2015
(with comparative totals for 2014)

	2015		2014	
	Unrestricted	Temporarily Restricted	Total	Total
Revenues, Gains and Other Support				
Campaign Revenue (Notes 1, 2, 5 and 9)	\$ 3,756,296	\$ 6,749	\$ 3,763,045	\$ 3,653,189
Total Amounts Raised in Campaigns	(1,206,683)	-	(1,206,683)	(1,200,247)
Less: Amounts Raised on Behalf of Others - Designations, Net	(125,033)	-	(125,033)	(136,159)
Provision for Uncollectible Accounts	2,424,580	6,749	2,431,329	2,316,783
Add: Collections of Prior Year Campaigns in Excess of Amounts Anticipated	192,819	-	192,819	322,854
Campaign Revenue, Net	2,617,399	6,749	2,624,148	2,639,637
Designations from Other United Ways, Net (Notes 2 and 6)	216,222	-	216,222	346,428
Contributions and Sponsorships	404,875	47,500	452,375	597,473
Fund-raising Events (Note 13)	195,200	-	195,200	189,134
Other Events	33,223	-	33,223	14,342
Grants (Note 9)	1,224,332	-	1,224,332	911,322
Interest and Investment Income, Net (Notes 2 and 4)	475,025	-	475,025	67,238
Unrealized (Depreciation) Appreciation on Investments (Notes 2 and 4)	(443,677)	-	(443,677)	210,269
Rental Income (Notes 7 and 12)	18,099	-	18,099	12,200
Fees and Other Income	39,967	-	39,967	23,909
In-kind Contributions (Note 2)	244,299	-	244,299	245,318
Total	5,024,964	54,249	5,079,213	5,257,270
Net Assets Released from Restrictions (Notes 2 and 10):				
Satisfaction of Purpose Restrictions	81,341	(81,341)	-	-
Expiration of Time Restrictions	-	-	-	-
Total Net Assets Released from Restrictions	81,341	(81,341)	-	-
Total Revenues, Gains and Other Support	5,106,305	(27,092)	5,079,213	5,257,270
Expenses and Losses				
Functional Expenses (Notes 1, 2, 7, 9, 11 and 12):				
Program Services				
Community Impact Grants, Other Distributions, and Other Program Expenses	4,311,409	-	4,311,409	4,318,014
Support Services				
Resource Development and Marketing	590,214	-	590,214	547,421
Management and General	660,756	-	660,756	576,620
Total Support Services	1,250,970	-	1,250,970	1,124,041
Total Functional Expenses	5,562,379	-	5,562,379	5,442,055
Cost of Direct Benefits to Donors	43,027	-	43,027	44,783
Total Expenses and Losses	5,605,406	-	5,605,406	5,486,838
Change in Net Assets	(499,101)	(27,092)	(526,193)	(229,568)
Net Assets At Beginning of Year	4,003,650	121,851	4,125,501	4,355,069
Net Assets At End of Year	\$ 3,504,549	\$ 94,759	\$ 3,599,308	\$ 4,125,501

UNITED WAY OF WESTERN CONNECTICUT, INC.

STATEMENTS OF CASH FLOWS

YEAR ENDED JUNE 30, 2015

(with comparative totals for 2014)

Increase (Decrease) in Cash and Cash Equivalents

	<u>2015</u>	<u>2014</u>
<u>Cash Flows from Operating Activities</u>		
Change in Net Assets	\$ (526,193)	\$ (229,568)
Adjustments to Reconcile Change in Net Assets to Net		
<u>Cash (Used) Provided by Operating Activities:</u>		
Depreciation - Operations and Rental	25,263	24,425
Provision for Uncollectible Promises to Give	125,033	136,159
Provision for Uncollectible Designations	25,697	48,300
Realized Gains on Sale of Investments	(389,652)	(1,028)
Unrealized Depreciation (Appreciation) on Investments	443,677	(210,258)
<u>Changes in:</u>		
Promises to Give	(169,576)	210,363
Designations Receivable	(28,710)	(152,205)
Prepaid Expenses and Other Assets	(51,451)	27,728
Agency Assets	57,638	430,318
Accounts Payable and Accrued Expenses	(40,425)	(104,689)
Revenue Received in Advance	23,853	(22,400)
Community Impact Grants and Other		
Distributions Payable	(72,867)	(97,098)
Refundable Advances on Grants	87,962	25,000
Agency Liabilities	(57,638)	(430,318)
Total Adjustments	(21,196)	(115,703)
Net Cash Used by Operating Activities	<u>(547,389)</u>	<u>(345,271)</u>
<u>Cash Flows from Investing Activities</u>		
(Decrease) Increase in Investments, Net	(3,057,399)	627,956
Proceeds from Sale of Investments	3,133,167	48,027
Net Cash Provided by Investing Activities	<u>75,768</u>	<u>675,983</u>
Net (Decrease) Increase in Cash and Cash Equivalents	(471,621)	330,712
Cash and Cash Equivalents - Beginning of Year	1,078,005	747,293
Cash and Cash Equivalents - End of Year	<u>\$ 606,384</u>	<u>\$ 1,078,005</u>

See notes to financial statements.

UNITED WAY OF WESTERN CONNECTICUT, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2015

(with comparative totals for 2014)

	2015		2014	
	PROGRAM SERVICES	SUPPORT SERVICES	Total	Total
Community Impact Grants (Note 2)	\$ 2,328,202	\$ -	\$ -	\$ 2,328,202
Less: Raised on Behalf of Others - Designations (Notes 2 and 8)	(1,206,683)	-	-	(1,206,683)
Net Community Impact Grants	1,121,519	-	-	1,121,519
Other Grants (Notes 2 and 9)	57,136	-	-	57,136
<u>Direct Program Expenses:</u>				
Graustein Discovery (Note 9)	413,032	-	-	413,032
Emergency Food and Shelter (Note 9)	156,380	-	-	156,380
Early Childhood	-	-	-	-
City of Danbury-Social Services (Note 9)	418,750	-	-	418,750
Imagination Library	102,942	-	-	102,942
Back to School	40,398	-	-	40,398
TS4NP	91,846	-	-	91,846
The Volunteer Center	60,087	-	-	60,087
Youth Leadership	17,894	-	-	17,894
Sandy Hook School Support	32,010	-	-	32,010
Danbury Food Collaborative	23,570	-	-	23,570
LISC and Other	16,995	-	-	16,995
Sub-total Community Impact and Direct Program Expenses	2,552,559	-	-	2,552,559
Salaries (Note 2)	843,661	342,596	378,107	720,703
Employee Benefits (Notes 2 and 11)	124,462	50,542	55,780	106,322
Payroll Taxes (Note 2)	76,539	31,081	34,303	65,384
Sub-total Employee Related Expenses	1,044,662	424,219	468,190	892,409
Sub-total	3,597,221	424,219	468,190	892,409
Professional and Consulting Fees	101,391	41,173	45,441	86,614
Office Supplies and Postage	20,997	8,527	9,410	17,937
Telephone and Internet (Note 2)	22,500	9,137	10,084	19,221
Printing and Promotion (Note 2)	34,223	13,898	15,338	29,236
Occupancy (Notes 2, 7 and 12)	87,693	10,952	54,317	65,269
Insurance	9,042	1,129	5,600	6,729
Maintenance of Equipment (Note 2)	47,726	5,961	29,561	35,522
Fund-raising Events (Note 13)	-	49,984	-	49,984
Other Events	57,120	-	-	57,120
Conferences, Training and Travel	14,162	5,751	6,347	12,098
Dues	1,966	798	881	1,679
Expenses Related to Rental Income (Notes 7 and 12)	46,992	-	-	46,992
In-kind Expenses (Note 2)	222,663	-	-	222,663
Depreciation (Notes 2 and 7)	10,054	4,063	4,506	8,589
United Way Worldwide Dues	22,229	8,336	4,168	12,504
Miscellaneous	15,430	6,266	6,913	13,179
Sub-total Other Expenses	714,188	165,995	192,566	358,561
Total Functional Expenses	4,311,409	590,214	660,756	1,250,970
				\$ 5,562,379
				\$ 5,442,055

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

(with comparative totals for 2014)

NOTE 1 - NATURE OF OPERATIONS

The mission of United Way of Western Connecticut, Inc. (United Way) is to improve lives by mobilizing the power of caring communities to create lasting change. We bring together the resources (funds and people) to help solve complex problems that no one can solve alone. United Way is a local and volunteer-led organization, working together with community leaders, nonprofit organizations, volunteers and businesses to focus on the most pressing needs in the communities of Northern Fairfield County, Stamford, and Southern Litchfield County. United Way is working to advance the common good by focusing on education, income and health to support households identified as ALICE, an acronym that stands for Asset Limited, Income Constrained, Employed, and defined by the 2014 CT ALICE Report sponsored by the United Ways in Connecticut. United Way considers these issue areas as the building blocks for a good life and a quality education that leads to a stable job, enough income to support a family and good health.

United Way has one governing board comprised of members from each of its main regions to provide needed expertise and perspective. Three Community Councils focus on local priorities, concentrating on identifying community needs, building long-term funding sources and allocating resources to local service programs.

United Way raises funds, and utilizes volunteers and in-kind resources to address local needs that impact households that live paycheck to paycheck or are in poverty (ALICE). Resource development activities include annual workplace campaigns, soliciting individual donors, major gifts and planned gifts, and securing grants. United Way distributes Community Impact and Other Grants through a competitive process open to nonprofit agencies that meets the long-term objectives of United Way under the areas of education, financial stability and health. Volunteers review grants, research agency capacity and financial health, and make all allocation decisions. Substantial funds are directed to prepare children for successful entry to kindergarten, reduce the rate of childhood obesity, and help families remain financially stable. United Way engages additional funding sources and collaborative partners to accomplish the work and strives to fund organizations working together towards common population goals.

United Way also incorporates its volunteer center activities as an important resource. Volunteer placement with agencies, skilled volunteerism, corporate volunteerism and volunteer board training are among the services provided by United Way.

United Way is a not-for-profit organization incorporated under the Nonstock Corporation Act of the State of Connecticut, and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. United Way is also exempt from state income tax.

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

(with comparative totals for 2014)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Net Asset Classes

The net asset classes of United Way consist of the following:

Unrestricted Net Assets

Unrestricted net assets consist of net assets over which the governing board has control to use in carrying out the operations of United Way in accordance with its charter and by-laws and are neither Permanently restricted nor Temporarily restricted by donor-imposed restrictions.

The Board of Directors has Designated certain Unrestricted net assets (Note 10).

The Net investment in Land, Building and Equipment consists of the net book value of Land, Building and Equipment acquired with Unrestricted net assets.

Temporarily Restricted Net Assets

Temporarily restricted net assets consist of net assets whose use is limited by donor-imposed restrictions which either expire with the passage of time (Time restriction) or can be fulfilled and removed by actions of United Way pursuant to the restrictions (Purpose restriction). If a restriction is fulfilled, however, in the same time period in which the Contribution is received, United Way reflects the support as Unrestricted contributions.

When donor-imposed restrictions expire, that is when a stipulated Time restriction ends or Purpose restriction is accomplished, Temporarily restricted net assets are reclassified to Unrestricted net assets and reported in the accompanying Statements of activities as Net assets released from restrictions.

For the years ended June 30, 2015 and 2014, Temporarily restricted Revenues consisted primarily of Contributions for various Community Impact programs, and support restricted for future Campaigns (Note 10).

Permanently Restricted Net Assets

Permanently restricted net assets consist of net assets whose use is limited by donor-imposed restrictions that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of United Way. United Way has no Permanently restricted net assets.

Revenue Received in Advance

Revenue received in advance as of June 30 consists of advance Program fees and Sponsorships received relating to Programs and events to take place during the following year.

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

(with comparative totals for 2014)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions and Campaign Revenue

Contributions received or Promises to give (campaign pledges) without donor-imposed restrictions are reflected as Unrestricted support. Contributions received or Promises to give with donor-imposed restrictions are reflected as either Temporarily or Permanently restricted support in the accompanying financial statements. Contributions or Promises to give with donor-imposed conditions are not recognized as Contributions or Promises to give in the accompanying financial statements until the period when the conditions are met.

Promises to give that are expected to be received within one year of the financial statement date are reflected at their net realizable value (the gross amount of the Promises to give, Net of an Allowance for uncollectible amounts). Promises to give that are expected to be collected more than one year after the financial statement date are reflected at the present value of their estimated future cash flows using a discount rate at the date the Promise to give is received commensurate with the risks involved.

Contributions raised on behalf of others designated by the donors to be paid to specific agencies or other United Ways (Designations) are considered Agency transactions (Note 8). Such Designated Contributions are reflected, net of a Provision for uncollectible amounts in the accompanying Statements of activities as part of Total amounts raised in campaigns, but are not considered to be part of the Campaign revenue of United Way and are therefore deducted to reflect United Way's Campaign revenue. In addition, United Way increases or reduces Campaign revenue for any excess or shortfall in collections of amounts raised in prior year campaigns.

United Way has also included in Total revenues amounts raised by other United Ways that were Designated by donors to be paid to United Way (Note 6).

Net Community Impact Grants and Other Distributions

Community impact grants and other distributions are made to programs approved by United Way's Board of Directors from funds raised in the annual campaign. United Way recognizes an expense and a liability when amounts are communicated to the partner organizations operating the programs in an award letter. United Way has presented in the accompanying Statements of activities gross Community impact grants and other distributions with a reduction for Community impact grants and other distributions funded through designations.

Allowance for Uncollectible Promises to Give

An Allowance for uncollectible Promises to give has been established which is evaluated periodically for adequacy based upon management's evaluation of past loss experience, known and inherent risks in its accounts plus other factors which could affect collectibility (Note 5).

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

(with comparative totals for 2014)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Investments are stated at fair value. Interest and Investment income, Net, including realized gains and losses on Investments, are reflected in the accompanying Statements of activities (Note 4). In addition, Unrealized appreciation or depreciation on investments is reflected in the accompanying Statements of activities.

Land, Building and Equipment

All acquisitions or donations of Land, Building and Equipment are reflected at cost or their fair value at the date of the gift. Depreciation is provided for over the estimated useful lives of the assets on a straight-line basis. The estimated useful lives range from three to thirty-nine years. It is United Way's policy to remove fully depreciated assets no longer in service from its financial records.

Income Taxes

Management of United Way has evaluated all significant tax positions as required by generally accepted accounting principles in the United States of America (Note 1).

Management of United Way is of the opinion that the entity has not taken any material tax positions that would require the recording of any liability by United Way, nor is Management of United Way of the opinion that there were any unrealized tax benefits that would either increase or decrease materially within the next year. If required, it is United Way's policy to recognize any estimated interest and penalties.

The tax returns of United Way for the three years ended June 30, 2014 are subject to examination by the taxing authorities.

Contributed Goods and Services and Gifts In-kind

Goods or services have been provided by various organizations, and a number of unpaid volunteers have contributed their time and resources in United Way's planning, budgeting and Community fund grants and other distribution activities and in the fund-raising campaigns.

Contributions are recognized if the goods or services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed goods or services that do not meet the above criteria are not recognized. None of the volunteer services provided to United Way during either of the years ended June 30, 2015 and 2014 were required to be recognized in the accompanying financial statements.

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

(with comparative totals for 2014)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed Goods and Services and Gifts In-kind (continued)

For the years ended June 30, In-kind Contributions and In-kind Expenses reflected in the accompanying financial statements consisted of the following:

	<u>2015</u>	<u>2014</u>
<u>Contributions</u>		
Back to School Program	\$135,530	\$ 60,930
Children's Accessories (a)	21,636	128,964
Office Supplies (a)	-	5,000
Media Advertising	27,656	50,424
Volunteer Center Programs	40,153	-
Fund-raising Events – Auction Items	<u>19,324</u>	<u>-</u>
Total	<u>\$244,299</u>	<u>\$245,318</u>
<u>Expenses</u>		
Back to School Program	\$135,530	\$ 60,930
Office Supplies (a)	-	639
Media Advertising	27,656	50,424
Volunteer Center Programs	40,153	-
Fund-raising Events – Auction Items	<u>19,324</u>	<u>-</u>
Total	<u>\$222,663</u>	<u>\$111,993</u>

(a) These contributions consist primarily of children's books, games, diapers, school supplies, toys and various personal care items that were distributed to other not-for-profit agencies and are not included as an In-kind expense but are included in Other Grants expense in the amount of \$21,636 and \$133,325 for the years ended June 30, 2015 and 2014, respectively, in the accompanying financial statements.

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

(with comparative totals for 2014)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences

Employees of United Way are entitled to paid vacation and paid sick days depending on job classifications, length of service and other factors. United Way's policy is to accrue Compensated absences.

Advertising

Advertising costs are expensed as incurred.

Cash Equivalents and Statements of Cash Flows

United Way considers all highly liquid debt instruments purchased with an original maturity of less than one year to be Cash equivalents.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis on the accompanying Statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates

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

Subsequent Events

Management has evaluated subsequent events through November 5, 2015, the date the financial statements were available to be issued. Through that date, there were no material events that would require recognition or additional disclosure in the financial statements.

Reclassifications

Certain amounts for 2014 have been reclassified, where appropriate, to conform to the 2015 presentation.

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

(with comparative totals for 2014)

NOTE 3 - CONCENTRATION OF CASH CREDIT RISK

United Way maintains a Cash account at a Connecticut Bank and Money Market and Investment accounts at local Brokerage firms. The Cash Account is insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). The Money Market and Investment accounts are insured by the Securities Investor Protection Corporation (SIPC) up to \$500,000. At times during the year the Cash balances may have exceeded the insured limits.

NOTE 4 - INVESTMENTS

Generally accepted accounting principles in the United States of America (GAAP) have established a definition and framework for measuring fair value, and disclosure about fair value measurements. Fair value is the exchange price that would be received for an asset or liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy that prioritizes the inputs used to measure fair value, requiring entities to maximize the use of markets or observable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs generally require significant management judgment. The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted in active markets for identical assets or liabilities.
- Level 2 inputs other than quoted prices included within Level 1 that are observable for the asset, such as quoted prices for similar assets or liabilities.
- Level 3 inputs are unobservable inputs for the assets or liability.

United Way's Investments are in certificates of deposit and 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:

<u>2015</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized (Depreciation)</u>
<u>At a Brokerage Affiliate of Union Savings Bank</u>			
Money Market Funds	\$ 311,399	\$ 311,399	\$ -
Fixed Income Securities	365,667	366,602	(935)
Equity Mutual Funds	379,732	387,079	(7,347)
Exchange Traded Funds	437,173	446,126	(8,953)
Equities	<u>1,119,113</u>	<u>1,125,214</u>	<u>(6,101)</u>
Total	<u>\$2,613,084</u>	<u>\$2,636,420</u>	<u>(\$23,336)</u>

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

(with comparative totals for 2014)

NOTE 4 - INVESTMENTS (continued)

<u>2014</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Appreciation</u>
<u>At a Brokerage Affiliate of Fairfield County Bank</u>			
Cash	\$ 383	\$ 383	\$ -
Money Market Funds	39,039	39,039	-
Equity Mutual Funds	606,428	404,936	201,492
Exchange Traded Funds	<u>2,097,027</u>	<u>1,878,178</u>	<u>218,849</u>
Total	<u>\$2,742,877</u>	<u>\$2,322,536</u>	<u>\$420,341</u>

For the years ended June 30, Interest and Investment Income, net, included the following:

	<u>2015</u>	<u>2014</u>
Interest Income	\$ 850	\$ 4,200
Dividend Income	84,523	62,010
Net Realized Gain on Sale of Investments	<u>389,652</u>	<u>1,028</u>
Net	<u>\$475,025</u>	<u>\$67,238</u>

Net Realized Gain on Sale of Investments for the years ended June 30 was as follows:

	<u>2015</u>	<u>2014</u>
Proceeds	\$3,133,167	\$48,027
Cost	<u>2,743,515</u>	<u>46,999</u>
Net	<u>\$389,652</u>	<u>\$1,028</u>

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

(with comparative totals for 2014)

NOTE 5 - PROMISES TO GIVE, CAMPAIGN REVENUE AND
CONCENTRATION OF RECEIVABLE CREDIT RISK

Concentrations of credit risk arise due to United Way's solicitation of Promises for charitable contributions from companies and individuals located within the western, Connecticut area. United Way does not obtain collateral for its Promises, but monitors the status of its past due receivables and provides an Allowance for uncollectible Promises. United Way had four major corporate donors, including their employees, during each of the years ended June 30, 2015 and 2014, that accounted for approximately 54% and 54% of Total amounts raised in campaigns, and approximately 46% and 49% of Amounts raised on behalf of others, respectively. Amounts due from these donors were approximately 57% and 31% of gross Promises to give and approximately 89% and 77% of Agency assets at June 30, 2015 and 2014, respectively.

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

(with comparative totals for 2014)

NOTE 5 - PROMISES TO GIVE, CAMPAIGN REVENUE AND
CONCENTRATION OF RECEIVABLE CREDIT RISK (continued)

Total amounts raised in Campaigns for the year ended June 30, 2015, and Promises to give, Net at June 30, 2015, primarily from the 2014-2015 Campaign, were comprised of the following:

<u>Annual Campaign Support</u>	
Local Campaign Promises	\$ 3,763,045
Less: Allowance for Uncollectible Accounts	<u>(111,800)</u>
Net Annual Campaign Support	3,651,245
<u>Amounts Collected</u>	
Local Campaign Promises	<u>(2,905,330)</u>
Promises to Give, Before Designation to Other Agencies	745,915
Less: Designation to Other Agencies Reflected as Amounts Raised on Behalf of Others (Note 8)	<u>(84,676)</u>
Promises to Give, Net	<u>\$ 661,239</u>

Total amounts raised in Campaigns for the year ended June 30, 2014, and Promises to give, Net at June 30, 2014, primarily from the 2013-2014 Campaign, were comprised of the following:

<u>Annual Campaign Support</u>	
Local Campaign Promises	\$ 3,653,189
Less: Allowance for Uncollectible Accounts	<u>(122,467)</u>
Net Annual Campaign Support	3,530,722
<u>Amounts Collected</u>	
Local Campaign Promises	<u>(2,796,253)</u>
Promises to Give, Before Designation to Other Agencies	734,469
Less: Designation to Other Agencies Reflected as Amounts Raised on Behalf of Others (Note 8)	<u>(117,773)</u>
Promises to Give, Net	<u>\$ 616,696</u>

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

(with comparative totals for 2014)

NOTE 5 - PROMISES TO GIVE, CAMPAIGN REVENUE AND
CONCENTRATION OF RECEIVABLE CREDIT RISK (continued)

Promises to give, Net at June 30, 2015, consisted of the following:

Local Campaign Promises	\$ 857,715
Less: Allowance for Uncollectible Accounts	<u>(111,800)</u>
Promises to Give, Before Designation to Other Agencies	745,915
Less: Designation to Other Agencies Reflected as Amounts Raised on Behalf of Others (Note 8)	<u>(84,676)</u>
Promises to Give, Net	<u>\$ 661,239</u>

Promises to give, Net at June 30, 2014 consisted of the following:

Local Campaign Promises	\$ 856,936
Less: Allowance for Uncollectible Accounts	<u>(122,467)</u>
Promises to Give, Before Designation to Other Agencies	734,469
Less: Designation to Other Agencies Reflected as Amounts Raised on Behalf of Others (Note 8)	<u>(117,773)</u>
Promises to Give, Net	<u>\$ 616,696</u>

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

(with comparative totals for 2014)

NOTE 6 - DESIGNATIONS FROM OTHER UNITED WAYS, NET

Effective July 1, 2014, United Way began obtaining more detailed information on Designations from Other United Ways and began recording Designations Receivable and a corresponding Designation Expense and a Provision for Uncollectible Designations.

Net amounts Designated from Other United Ways for the year ended June 30 consisted of the following:

	<u>2015</u>	<u>2014</u>
Gross Revenue	\$291,190	\$399,778
Less: Designation Expense	(24,642)	(5,050)
Less: Provision for Uncollectible Designations	<u>(50,326)</u>	<u>(48,300)</u>
Designations from Other United Ways, Net	<u>\$216,222</u>	<u>\$346,428</u>

NOTE 7 - LAND, BUILDING AND EQUIPMENT, NET

Land, Building and Equipment, Net at June 30, consisted of the following:

	<u>2015</u>	<u>2014</u>
Land	\$ 145,900	\$ 145,900
Buildings and Improvements	780,816	780,816
Office Furniture, Software and Equipment	<u>155,487</u>	<u>155,487</u>
Total	1,082,203	1,082,203
Less: Accumulated Depreciation	<u>(449,227)</u>	<u>(423,964)</u>
Land, Building and Equipment, Net	<u>\$ 632,976</u>	<u>\$ 658,239</u>

Expenses related to Rental income include Depreciation expense of approximately \$6,600 and \$6,400 for the years ended June 30, 2015 and 2014, respectively (Note 12).

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

(with comparative totals for 2014)

NOTE 8 - AGENCY ASSETS AND LIABILITIES

Designations

United Way acts as an agent with respect to certain portions of its fund-raising campaigns for which contributions are designated by the donors to be paid to specific agencies or other United Ways (Note 2). Agency Assets consist primarily of Promises to give and Cash not yet remitted. Agency Liabilities consist primarily of Designations payable to agencies and other United Ways.

Fiscal Processing Arrangements

United Way acts as a fiscal processing agency for several community organizations which carry out Community Impact programs serving the Southern Litchfield County area. Promises to Give and Cash collected and held on behalf of these organizations, to be disbursed at the direction of these organizations, are considered Agency assets and liabilities.

Sandy Hook School Support Fund and Related Funds

Following the tragedy of December 14, 2012 in Newtown CT where 20 children and 6 adults were killed at the Sandy Hook Elementary School by a gunman, United Way quickly responded to the nation's outpouring of support by establishing the Sandy Hook School Support Fund (SHSSF) in partnership with the Newtown Savings Bank. This fund was designed to help the long-term recovery needs of the Newtown community following the tragedy. United Way processed approximately \$12,000,000 of community donations in their capacity as fiscal agent. Donations were received at both the Newtown Savings Bank and other banks as well as United Way. After reviewing to ensure that the funds were not designated for any specific purpose, they were placed into separate accounts and ultimately transferred to the Newtown-Sandy Hook Community Foundation (Foundation) that was established to serve the community needs resulting from the tragedy. UWWC kept no portion of these funds and took no Administrative fees. The Foundation determines how the funds are to be distributed.

It also became apparent early on that families in the community would need financial support more immediately than what the SHSSF was intended to provide. As a result, United Way formed the Immediate Needs Fund in partnership with the Newtown Rotary Club and the Office of Victim Services to serve two main purposes: Help families who were facing financial difficulties due to loss of income as a result of the tragedy; and Help cover out-of-pocket expenses for mental health treatment. A portion of these funds were granted to local agencies who had responded immediately to the community, while the remainder is being used to pay providers, such as mortgage companies, utility companies, car finance companies or mental health providers. Again, 100% of the proceeds (approximately \$518,000 and \$470,000, for the years ended June 30, 2014 and 2013, respectively) were used to support these needs. United Way's partners determine how the funds are to be distributed. There was minimal activity for the year ended June 30, 2015.

At the request of the state legislators, United Way also accepted donations for the Sandy Hook Workers Assistance Fund. These donations, managed and distributed by the State of CT, are used to supplement lost income incurred by teachers and first responders of the shooting for mental health reasons that were not eligible under current workers' compensation policies. United Way submits these funds to the state on a regular basis. All decisions regarding eligibility and distribution of these funds are made by the state. There was minimal activity for the year ended June 30, 2015.

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

(with comparative totals for 2014)

NOTE 8 - AGENCY ASSETS AND LIABILITIES (continued)

Agency assets and liabilities at June 30 consisted of the following (Note 5):

	<u>2015</u>	<u>2014</u>
<u>Agency Assets:</u>		
Promises to Give, Net	\$84,676	\$117,774
Cash	<u>10,834</u>	<u>35,374</u>
Total	<u>\$95,510</u>	<u>\$153,148</u>
<u>Agency Liabilities:</u>		
Designations	\$84,676	\$117,774
Sandy Hook School Support Fund	571	25,599
Sandy Hook School Immediate Needs Fund	460	-
<u>Fiscal Processing Arrangements:</u>		
New Milford Culinary School	234	234
Car Seat Safety Program	4,872	4,717
Walking Project	4,322	4,003
Healthy 2020	375	375
Campership Fund	<u>-</u>	<u>446</u>
Total	<u>\$95,510</u>	<u>\$153,148</u>

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

(with comparative totals for 2014)

NOTE 9 - GRANTS

United Way is the recipient of several grants. Grant revenue is recognized as expenditures are incurred. Grants receivable represent expenditures on Grants incurred in excess of payments received from Grantors. Refundable advances on grants consist of payments received from Grantors where the payments received were in excess of expenditures incurred. Management of United Way does not anticipate that there would be any material changes as a result of Grant audits.

Grants receivable and Refundable Advances on grants at June 30 and Grant revenue for the year ended June 30 consist of the following:

<u>2015</u>	<u>Grants Receivable</u>	<u>Refundable Advances</u>	<u>Grant Revenue</u>
Graustein Discovery (a)	\$ -	\$ -	\$435,334
State of CT - Education Match (b)	-	-	39,582
Emergency Food and Shelter	-	-	159,108
Strong Start Neighborhood Initiative (c)	-	112,962	-
Department of Justice-SHSS (d)	-	-	141,558
Danbury Grant for Social Services (e)	-	-	418,750
Financial Resource Center (f)	<u>-</u>	<u>-</u>	<u>30,000</u>
Total	<u>\$ -</u>	<u>\$112,962</u>	<u>\$1,224,332</u>
<u>2014</u>	<u>Grants Receivable</u>	<u>Refundable Advances</u>	<u>Grant Revenue</u>
Graustein Discovery (a)	\$ -	\$25,000	\$303,772
State of CT - Education Match (b)	-	-	36,578
Emergency Food and Shelter	-	-	135,423
Danbury Grant for Social Services (e)	-	-	412,049
Financial Resource Center (f)	<u>-</u>	<u>-</u>	<u>23,500</u>
Total	<u>\$ -</u>	<u>\$25,000</u>	<u>\$911,322</u>

- (a) For the year ended June 30, 2015, in addition to the Direct program expenses of \$413,032, salary expense of \$22,302 was incurred. For the year ended June 30, 2014, of the \$374,374 in Direct program expenses, expenditures of \$48,187 are applicable to the Graustein Discovery Grant.
- (b) Included in Salary expense in the accompanying financial statements for the years ended June 30, 2015 and 2014, respectively, is \$39,582 and \$36,578 applicable to the State of CT – Education Match Grant.
- (c) During the year ended June 30, 2015, United Way received \$112,962 in funding for the Strong Start Neighborhood Initiative which provides both a broad community perspective and a targeted focus on two specific neighborhoods: one in Stamford and one in Danbury. No funds had yet been expended as of June 30, 2015.
- (d) United Way received unanticipated funding from the Department of Justice in the year ended June 30, 2015 as reimbursement for expenditures the Agency incurred during the years ended June 30, 2013 and 2014, in the aftermath of the Sandy Hook School shooting.

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

(with comparative totals for 2014)

NOTE 9 - GRANTS (continued)

- (e) United Way entered into a series of Social Service Grant Agreements with the City of Danbury to provide additional allocations to United Way Agencies that form the core of the United Way's three impact areas, Education, Income and Health. The amounts of the Grant Agreements were \$418,750, and \$412,049, for the years ended June 30, 2015, and 2014, respectively. An additional Grant in the amount of \$416,500 was awarded and received effective July 2015 and it is anticipated that these funds will be expended during the year ended June 30, 2016.
- (f) Included in Salary expense in the accompanying financial statements for the years ended June 30, 2015 and 2014, respectively, is \$30,000 and \$23,500 applicable to the Financial Resource Center Grant.

NOTE 10 - NET ASSETS

Unrestricted - Board Designated

As of June 30, the Board of Directors has Designated the following amounts for the purposes indicated:

Children's Programs and Services

These amounts consisted of the unexpended portion of an initial \$3,400,000 from the sales proceeds of closely held stock during the year ended June 30, 2008 plus an additional \$407,000 from a gift from an anonymous donor during the year ended June 30, 2011, to be used for Children's Programs and Services benefiting children in Northern Fairfield County. The Board intends that these funds be expended in a scheduled fashion over the next several years. The remaining Designated balance was \$869,124 and \$1,166,236 as of June 30, 2015 and 2014, respectively.

Board Designated - Other

	<u>2015</u>	<u>2014</u>
Stabilization Reserve Fund (a)	\$ 418,354	\$ 418,354
Technology Solutions for Not-for-Profits (b)	7,388	23,614
Special Allocation (c)	35,000	70,000
Stamford Society (d)	112,655	162,655
Future Community Impact Awards (e)	125,993	140,993
Stamford Rent and Operations (f)	600,000	608,000
Furthering Volunteerism (g)	180,000	230,000
Back to School (h)	-	2,500
Jet Blue Funds (i)	-	100,000
Community Impact Operations (j)	<u>473,059</u>	<u>-</u>
Total	<u>\$1,952,449</u>	<u>\$1,756,116</u>

- (a) Designated to insure against unforeseen campaign, economic and organizational circumstances.
- (b) Designated to fund area not-for-profits in obtaining computers, software and IT support.
- (c) At June 30, 2015 and 2014, the \$35,000 and \$70,000, respectively, consisted of the unexpended portion of an initial \$175,000 which was Designated to fund special allocations over a five-year period from a gift from an anonymous donor during the year ended June 30, 2011.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

(with comparative totals for 2014)

NOTE 10 – NET ASSETS (continued)

Unrestricted - Board Designated – (continued)

- (d) The Board of Directors has approved the Designation of certain Unrestricted net assets including planned gifts and assets received from sources other than the annual campaign, for a Fund known as the Stamford Society. The purpose of the Fund is to support special projects or special needs of the community of Stamford and United Way, which in the Board’s opinion are not being adequately addressed by the annual Campaign and the annual Allocations process.
- (e) The Board of Directors Designated \$70,993 from amounts raised in the 2010-2011 campaign plus an additional \$70,000 approved from the proceeds of the sale of the Stamford facility, to be awarded to agencies to be selected subsequent to June 30, 2012.
- (f) The Board of Directors Designated \$608,000 from the proceeds of the sale of the Stamford facility to be used to fund the future rent and operations of the new Stamford premises (Note 12).
- (g) The Board of Directors had Designated \$340,000 for activities and programs to encourage volunteerism, of which \$180,000 and \$230,000 remained Designated as of June 30, 2015 and 2014, respectively.
- (h) The Board of Directors Designated \$2,500 during the year ended June 30, 2014, for the Back to School program, which was expended during the year ended June 30, 2015.
- (i) During the year ended June 30, 2014, the Board of Directors designated \$100,000, which represented an Unrestricted contribution from Jet Blue Airlines, to be used for community needs. During the year ended June 30, 2015, these funds were combined with the Community Impact Operations Designated Net Assets.
- (j) During the year ended June 30, 2015, the Board of Directors designated \$473,059 for future grants or endowments for programs.

Temporarily Restricted

Temporarily restricted net assets at June 30 were restricted for the following purposes or periods:

	<u>2015</u>	<u>2014</u>
<u>Purpose Restricted</u>		
Back to School	\$ -	\$ 6,249
The Giving Fund	181	3,921
Sandy Hook State Police		
Training/SHSS Relief Efforts	-	25,190
Graustein Foundation	1,101	11,474
United Way Worldwide Health		
Mobilization	-	3,226
Imagination Library	-	20,400
Grossman Foundation – “Parents		
As Teachers”	<u>39,228</u>	<u>51,391</u>
Total Purpose Restricted	<u>40,510</u>	<u>121,851</u>

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

(with comparative totals for 2014)

NOTE 10 - NET ASSETS (continued)

Temporarily Restricted (continued)

	<u>2015</u>	<u>2014</u>
<u>Time Restricted</u>		
Back to School	\$ 10,500	\$ -
Youth Leadership	2,500	-
Imagination Library	34,500	-
Support Restricted for		
Community Impact Grants and		
Distributions in Subsequent Year	<u>6,749</u>	<u>-</u>
Total Time Restricted	<u>54,249</u>	<u>-</u>
Total Temporarily Restricted	<u>\$94,759</u>	<u>\$121,851</u>

Net assets released from donor restrictions by incurring expenses satisfying the restricted purposes, by occurrence of other events or by passage of time for the years ended June 30 were as follows:

	<u>2015</u>	<u>2014</u>
<u>Satisfaction of Program Restrictions</u>		
Back to School	\$ 6,249	\$ -
The Giving Fund	3,740	-
Sandy Hook State Police		
Training/SHSS Relief Efforts	25,190	-
Graustein Foundation	10,373	-
United Way Worldwide Health		
Mobilization	3,226	-
Imagination Library	20,400	-
Grossman Foundation – “Parents as Teachers”	12,163	68,609
Graustein Match	<u>-</u>	<u>47,099</u>
	<u>81,341</u>	<u>115,708</u>
<u>Expiration of Time Restrictions</u>		
Support Restricted for Community		
Impact Grants and Distributions		
in Subsequent Year	<u>-</u>	<u>20,200</u>
Total	<u>\$81,341</u>	<u>\$135,908</u>

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

(with comparative totals for 2014)

NOTE 11- RETIREMENT PLANS

Employees

United Way has an IRS Section 401(k) Plan to which it contributes 7% of each eligible employee's salary. In addition, all eligible employees may make voluntary pre-tax contributions to the 401(k) Plan. United Way will match 50% of the employee's contribution, not to exceed 2% of their salary.

United Way also has a Tax Deferred Annuity Plan under IRS Section 403(b), to which no United Way contributions have been made. These assets remain in a separate account maintained by the Plan administrator.

Employer contributions of approximately \$107,000 and \$116,000 for the years ended June 30, 2015 and 2014, respectively, are included in Employee benefits.

NOTE 12 - LEASE ARRANGEMENTS

Rental Income - NFC

United Way leases a portion of its Danbury facility to a Not-for-profit tenant. The Lease extended to August 2005 at an annual rental of \$12,000. This Tenant continues to occupy the space on a month-to-month basis at a monthly Rental of \$1,000. Rental income on this lease amounted to \$12,000 for each of the years ended June 30, 2015 and 2014.

Rental Income - Stamford

United Way entered into a sub-lease agreement with a Not-for-Profit tenant for a portion of its Stamford facility with a monthly rate of \$642, of which \$170 is to reimburse United Way for Operating Expenses, Real Estate taxes and Utilities. The sub-lease terminated as of September 15, 2015. The tenant continues to occupy the premises on a month-to-month basis, under the same terms and conditions of the expired sub-lease agreement.

Rental income on the Stamford lease amounted to approximately \$6,100 and \$200 for the years ended June 30, 2015 and 2014, respectively, including short-term rentals.

Equipment Leases

United Way leases office equipment under several leases expiring to January 2019 at a present monthly rental aggregating approximately \$1,550.

Automobile Lease

United Way leased an automobile for a three-year period which expired in September 2015 at a monthly rental of approximately \$390. In October 2015, the Agency entered into an agreement to lease a new automobile for a three year period, at a monthly rental of approximately \$410.

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

(with comparative totals for 2014)

NOTE 12 - LEASE ARRANGEMENTS (continued)

Rental Expense – Litchfield

United Way leases office space in New Milford on a month-to-month basis for \$175 per month in order to maintain its presence in the Southern Litchfield County Community.

Rental Expense – Stamford

Subsequent to the sale of its Land, Building and Improvements in Stamford, in December 2011, United Way entered into a ten year, three month Lease agreement for office space in the downtown Stamford area effective May 2012. The Lease provides for a security deposit in the amount of \$15,000. United Way is responsible for its pro-rata share of electricity expenses in the amount of \$1,089 monthly. In the event of a rate increase by the electricity provider, United Way's share will be increased accordingly. Additionally, United Way is to pay their proportionate share of the operating expenses and real estate taxes for the building as calculated on a yearly basis.

Future Minimum lease payments at June 30, 2015 for the years ended June 30, are as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2016	\$ 97,177
2017	99,552
2018	101,927
2019	104,302
2020	106,677
2021 and thereafter	<u>229,782</u>
Total	<u>\$739,417</u>

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

(with comparative totals for 2014)

NOTE 13 - FUND-RAISING EVENT ACTIVITIES

United Way's Fund-raising activities consist primarily of the Heart of Gold dinner and Hometown Heroes dinner, held each spring, along with other Fund-raising events which include King of The Hill and United at the Cove 5k. A summary of Fund-raising and other Event activities for the years ended June 30, is as follows:

	<u>2015</u>	<u>2014</u>
<u>Revenue</u>	<u>\$195,200</u>	<u>\$189,134</u>
<u>Expenses</u>		
Fund-raising Event Expenses	49,984	34,583
Direct Benefit to Donors	<u>43,027</u>	<u>44,783</u>
Total Expenses	<u>93,011</u>	<u>79,366</u>
Net	<u>\$102,189</u>	<u>\$109,768</u>

NOTE 14 - SUBSEQUENT EVENT

In October 2015, United Way entered into a \$500,000 revolving Line of Credit Agreement, subject to annual review and renewal. United Way's Board of Directors has adopted a Line of Credit Spending Policy indicating that the Line of Credit is intended to be used solely for short-term cash flow timing needs.

NOTE 15 - PRIOR YEAR INFORMATION

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with United Way's financial statements at June 30, 2014 and for the year ended June 30, 2014, from which the summarized information was derived.