

UNITED WAY OF WESTERN
CONNECTICUT, INC.

Financial Statements

(with Independent Auditor's Report thereon)

YEAR ENDED JUNE 30, 2016
(with comparative totals for 2015)

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

UNITED WAY OF WESTERN CONNECTICUT, INC.

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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, 2016, 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, 2016 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, 2015 and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 5, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Fraulberg, Smith + Co, PC

October 18, 2016

UNITED WAY OF WESTERN CONNECTICUT, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2016

(with comparative totals for 2015)

	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 134,726	\$ 606,384
Investments	2,434,682	2,613,084
Promises to Give, Net of Allowance for uncollectible promises of \$96,753 in 2016 and \$111,800 in 2015	671,902	661,239
Designations Receivable from Others, Net of Allowance for uncollectible designations of \$27,373 in 2016 and \$25,697 in 2015	115,277	106,918
Prepaid Expenses and Other Assets	81,152	217,377
Security Deposit	15,000	15,000
Land, Building and Equipment, Net	8,626	632,976
Assets Held for Sale, Net	605,473	-
Agency Assets	<u>121,776</u>	<u>95,510</u>
TOTAL ASSETS	<u>\$ 4,188,614</u>	<u>\$ 4,948,488</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Liabilities</u>		
Accounts Payable and Accrued Expenses	\$ 111,543	\$ 154,528
Revenue Received in Advance	11,580	39,953
Community Impact Grants and Other Distributions Payable	238,433	946,227
Refundable Advances on Grants	50,007	112,962
Agency Liabilities	<u>121,776</u>	<u>95,510</u>
Total Liabilities	<u>533,339</u>	<u>1,349,180</u>
<u>Net Assets</u>		
<u>Unrestricted:</u>		
Net Investment in Land, Building and Equipment	8,626	632,976
Net Investment in Assets Available for Sale	605,473	-
Board Designated - Children's Programs and Services	808,169	869,124
Board Designated - Other	1,987,652	1,952,449
Undesignated - Available for Operations	<u>50,000</u>	<u>50,000</u>
Total Unrestricted	3,459,920	3,504,549
Temporarily Restricted	<u>195,355</u>	<u>94,759</u>
Total Net Assets	<u>3,655,275</u>	<u>3,599,308</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,188,614</u>	<u>\$ 4,948,488</u>

STATEMENTS OF ACTIVITIES
YEAR ENDED JUNE 30, 2016
(with comparative totals for 2015)

	2016		2015	
	Unrestricted	Temporarily Restricted	Total	Total
Revenues, Gains and Other Support				
<u>Campaign Revenue</u>				
Total Amounts Raised in Campaigns	\$ 3,501,276	\$ 51,009	\$ 3,552,285	\$ 3,763,045
Less: Amounts Raised on Behalf of Others - Designations, Net	(1,312,827)	-	(1,312,827)	(1,206,683)
Provision for Uncollectible Accounts	(98,172)	-	(98,172)	(125,033)
	<u>2,090,277</u>	<u>51,009</u>	<u>2,141,286</u>	<u>2,431,329</u>
Add: Collections of Prior Year Campaigns in Excess of Amounts Anticipated	71,452	-	71,452	192,819
Campaign Revenue, Net	2,161,729	51,009	2,212,738	2,624,148
Designations from Other United Ways, Net	236,637	-	236,637	216,222
Contributions and Sponsorships	507,699	94,618	602,317	452,375
Fund-raising Events	193,454	-	193,454	195,200
Other Events	32,654	-	32,654	33,223
Grants	1,233,500	-	1,233,500	1,224,332
Interest and Investment Income, Net	42,211	-	42,211	31,348
Rental Income	6,988	-	6,988	18,099
Fees and Other Income	59,607	-	59,607	39,967
In-kind Contributions	138,955	-	138,955	244,299
Total	<u>4,613,434</u>	<u>145,627</u>	<u>4,759,061</u>	<u>5,079,213</u>
Net Assets Released from Restrictions				
Satisfaction of Purpose Restrictions	1,282	(1,282)	-	-
Expiration of Time Restrictions	43,749	(43,749)	-	-
Total Net Assets Released from Restrictions	45,031	(45,031)	-	-
Total Revenues, Gains and Other Support	<u>4,658,465</u>	<u>100,596</u>	<u>4,759,061</u>	<u>5,079,213</u>
Expenses				
<u>Functional Expenses</u>				
<u>Community Services</u>				
Community Impact Grants, Other	3,463,655	-	3,463,655	4,311,409
Distributions and Program Expenses	-	-	-	-
Supporting Services	618,886	-	618,886	590,214
Resource Development and Marketing	568,567	-	568,567	660,756
Management and General	1,187,453	-	1,187,453	1,250,970
Total Supporting Services	4,651,108	-	4,651,108	5,562,379
Total Functional Expenses	51,986	-	51,986	43,027
Cost of Direct Benefits to Donors	4,703,094	-	4,703,094	5,605,406
Total Expenses	<u>(44,629)</u>	<u>100,596</u>	<u>55,967</u>	<u>(526,193)</u>
Change in Net Assets	<u>3,504,549</u>	<u>94,759</u>	<u>3,599,308</u>	<u>4,125,501</u>
Net Assets At Beginning of Year				
Net Assets At End of Year	<u>\$ 3,459,920</u>	<u>\$ 195,355</u>	<u>\$ 3,655,275</u>	<u>\$ 3,599,308</u>

See notes to financial statements.

UNITED WAY OF WESTERN CONNECTICUT, INC.

STATEMENTS OF CASH FLOWS

YEAR ENDED JUNE 30, 2016

(with comparative totals for 2015)

Increase (Decrease) in Cash and Cash Equivalents

	<u>2016</u>	<u>2015</u>
<u>Cash Flows from Operating Activities</u>		
Change in Net Assets	\$ 55,967	\$ (526,193)
Adjustments to Reconcile Change in Net Assets to Net		
<u>Cash (Used) Provided by Operating Activities:</u>		
Depreciation - Operations and Rental	26,083	25,263
Provision for Uncollectible Promises to Give	98,172	125,033
Provision for Uncollectible Designations	27,373	25,697
Realized Losses (Gains) on Sale of Investments	9,863	(389,652)
Unrealized Depreciation on Investments	8,685	443,677
<u>Changes in:</u>		
Promises to Give	(108,835)	(169,576)
Designations Receivable from Others	(35,732)	(28,710)
Prepaid Expenses and Other Assets	136,225	(51,451)
Agency Assets	(26,266)	57,638
Accounts Payable and Accrued Expenses	(42,984)	(40,425)
Revenue Received in Advance	(28,373)	23,853
Community Impact Grants and Other		
Distributions Payable	(707,794)	(72,867)
Refundable Advances on Grants	(62,955)	87,962
Agency Liabilities	<u>26,266</u>	<u>(57,638)</u>
Total Adjustments	<u>(680,272)</u>	<u>(21,196)</u>
Net Cash Used by Operating Activities	<u>(624,305)</u>	<u>(547,389)</u>
<u>Cash Flows from Investing Activities</u>		
Purchase of Furniture and Equipment	(7,206)	-
Purchase of Investments, Net	(154,742)	(3,057,399)
Proceeds from Sale of Investments	<u>314,595</u>	<u>3,133,167</u>
Net Cash Provided by Investing Activities	<u>152,647</u>	<u>75,768</u>
Net Decrease in Cash and Cash Equivalents	(471,658)	(471,621)
Cash and Cash Equivalents - Beginning of Year	<u>606,384</u>	<u>1,078,005</u>
Cash and Cash Equivalents - End of Year	<u>\$ 134,726</u>	<u>\$ 606,384</u>

See notes to financial statements.

UNITED WAY OF WESTERN CONNECTICUT, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2016

(with comparative totals for 2015)

	2016		2015	
	PROGRAM SERVICES		SUPPORT SERVICES	
	Community Impact Grants, Other Distributions, and Other Program Expenses	Resource Development and Marketing and Management and General	Total	Total
Community Impact Grants	\$ 1,825,468	\$ -	\$ -	\$ 1,825,468
Less: Raised on Behalf of Others - Designations	(1,312,827)	-	-	(1,312,827)
Net Community Impact Grants	512,641	-	-	512,641
Other Grants	42,071	-	-	42,071
Direct Program Expenses:				
Discovery Initiatives	511,115	-	-	511,115
Emergency Food and Shelter	161,125	-	-	161,125
Early Childhood	5,000	-	-	5,000
City of Danbury-Social Services	416,500	-	-	416,500
Imagination Library	101,923	-	-	101,923
Back to School	46,447	-	-	46,447
TS4NP	94,594	-	-	94,594
The Volunteer Center	39,657	-	-	39,657
Youth Leadership	3,562	-	-	3,562
Sandy Hook School Support	-	-	-	-
Danbury Food Collaborative	29,328	-	-	29,328
LISC and Other	18,117	-	-	18,117
Sub-total Community Impact and Direct Program Expenses	1,982,080	-	-	1,982,080
Salaries	786,436	362,969	725,939	1,512,375
Employee Benefits	102,111	47,128	94,257	196,368
Payroll Taxes	69,501	32,077	64,154	133,655
Sub-total Employee Related Expenses	958,048	442,174	884,350	1,842,398
Sub-total	2,940,128	442,174	884,350	3,824,478
Professional and Consulting Fees	48,284	22,285	44,570	92,854
Office Supplies and Postage	13,877	6,405	12,810	26,687
Telephone and Internet	18,004	8,309	16,618	34,622
Printing and Promotion	23,323	10,764	21,528	44,851
Occupancy	95,553	23,925	50,330	145,883
Insurance	16,135	4,040	8,499	24,634
Maintenance of Equipment	55,978	14,016	29,485	85,463
Fund-raising Events	-	54,666	54,666	54,666
Other Events	28,200	-	-	28,200
Conferences, Training and Travel	16,694	7,705	15,410	32,104
Dues	2,358	1,088	2,176	4,534
Expenses Related to Rental Income	22,058	-	-	22,058
In-Kind Expenses	132,134	-	-	132,134
Interest Expense	1,625	750	1,500	3,125
Depreciation	12,836	5,924	11,848	24,684
United Way Worldwide Dues	22,233	10,261	20,522	42,755
Miscellaneous	14,235	6,574	13,141	27,376
Sub-total Other Expenses	523,527	176,712	303,103	826,630
Total Functional Expenses	\$ 3,463,655	\$ 618,886	\$ 1,187,453	\$ 4,651,108
				\$ 5,562,379

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

(with comparative totals for 2015)

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. United Way brings 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.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

(with comparative totals for 2015)

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.

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

The Net investment in assets available for sale consisted of the net book value of the Land and Building of the United Way's former office offered for sale.

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, 2016 and 2015, Temporarily restricted Revenues consisted primarily of Contributions for various Community Impact programs, and support restricted for future Campaigns.

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 had no Permanently restricted net assets at either June 30, 2016 or 2015.

Revenue Received in Advance

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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

(with comparative totals for 2015)

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. 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.

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.

During the year ended June 30, 2016, United Way changed the process in which they made commitments for awarding Community Impact Grants. In prior years United Way would record an expense and a related liability determined by commitments to the Partner agencies at each year end. These amounts would then be paid out in the following year. United Way will now award Grants based on a rolling process in which commitments will be made at various times during a year. Any Community Impact Grant commitments made after June 30, 2016 will be expensed and paid beginning in the year ended June 30, 2017.

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

(with comparative totals for 2015)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Investments

Investments are stated at fair value. Interest and Investment income, Net, including realized gains and losses and Unrealized appreciation or depreciation on Investments, are 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.

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, 2015 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, 2016 and 2015 were required to be recognized in the accompanying financial statements.

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

(with comparative totals for 2015)

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>2016</u>	<u>2015</u>
<u>Contributions</u>		
Back to School Program	\$ 71,597	\$135,530
Children's Accessories (a)	6,821	21,636
Office Supplies (a)	872	-
Media Advertising	24,100	27,656
Volunteer Center Programs	21,363	40,153
Cradle to Career	6,000	-
Fund-raising Events – Auction Items	<u>8,202</u>	<u>19,324</u>
Total	<u>\$138,955</u>	<u>\$244,299</u>
<u>Expenses</u>		
Back to School Program	\$ 71,597	\$135,530
Office Supplies (a)	872	-
Media Advertising	24,100	27,656
Volunteer Center Programs	21,363	40,153
Cradle to Career	6,000	-
Fund-raising Events – Auction Items	<u>8,202</u>	<u>19,324</u>
Total	<u>\$132,134</u>	<u>\$222,663</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 \$6,821 and \$21,636 for the years ended June 30, 2016 and 2015, respectively, in the accompanying financial statements.

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 three months or less, at the time of purchase, 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.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

(with comparative totals for 2015)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 October 18, 2016, 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 2015 have been reclassified, where appropriate, to conform to the 2016 presentation.

NOTE 3 - CONCENTRATION OF CASH CREDIT RISK

United Way maintains a Cash account at a Connecticut Bank and Money Market and Investment accounts at two 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 OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

(with comparative totals for 2015)

NOTE 4 - INVESTMENTS (continued)

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>2016</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Appreciation (Depreciation)</u>
<u>At a Brokerage Affiliate of Union Savings Bank</u>			
Money Market Funds	\$ 74,212	\$ 74,212	\$ -
Fixed Income Securities	420,892	412,787	8,105
Equity Mutual Funds	241,365	243,571	(2,206)
Exchange Traded Funds	<u>1,077,108</u>	<u>1,116,965</u>	<u>(39,857)</u>
Total	<u>1,813,577</u>	<u>1,847,535</u>	<u>(33,958)</u>
<u>At Commonwealth Financial Network</u>			
Money Market Funds	51,963	51,963	-
Equity Mutual Funds	315,482	314,080	1,402
Exchange Traded Funds	<u>253,660</u>	<u>253,125</u>	<u>535</u>
Total	<u>621,105</u>	<u>619,168</u>	<u>1,937</u>
Total Investments	<u>\$2,434,682</u>	<u>\$2,466,703</u>	<u>(\$32,021)</u>
<u>2015</u>			
<u>At a Brokerage Affiliate of Union Savings Bank</u>			
Money Market Funds	\$ 245,806	\$ 245,806	\$ -
Fixed Income Securities	365,667	366,602	(935)
Equity Mutual Funds	280,876	284,275	(3,399)
Exchange Traded Funds	<u>1,119,113</u>	<u>1,125,214</u>	<u>(6,101)</u>
Total	<u>2,011,462</u>	<u>2,021,897</u>	<u>(10,435)</u>
<u>At Commonwealth Financial Network</u>			
Money Market Funds	65,593	65,593	-
Equity Mutual Funds	98,856	102,804	(3,948)
Exchange Traded Funds	<u>437,173</u>	<u>446,126</u>	<u>(8,953)</u>
Total	<u>601,622</u>	<u>614,523</u>	<u>(12,901)</u>
Total Investments	<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, 2016

(with comparative totals for 2015)

NOTE 4 - INVESTMENTS (continued)

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

	<u>2016</u>	<u>2015</u>
Interest Income	\$ -	\$ 850
Dividend Income	60,759	84,523
Net Realized (Loss) Gain on Sale of Investments	(9,863)	389,652
Unrealized Depreciation on Investments	<u>(8,685)</u>	<u>(443,677)</u>
Net	<u>\$42,211</u>	<u>\$ 31,348</u>

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

	<u>2016</u>	<u>2015</u>
Proceeds	\$314,595	\$3,133,167
Cost	<u>324,458</u>	<u>2,743,515</u>
Net	<u>\$ (9,863)</u>	<u>\$ 389,652</u>

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 one and four major corporate donors, including their employees, during each of the years ended June 30, 2016 and 2015, that accounted for approximately 43% and 54% of Total amounts raised in campaigns, and approximately 18% and 46% of Amounts raised on behalf of others, respectively. Amounts due from these donors were approximately 51% and 57% of gross Promises to give and approximately 93% and 89% of Agency assets at June 30, 2016 and 2015, respectively.

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

(with comparative totals for 2015)

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, 2016, and Promises to give, Net at June 30, 2016, primarily from the 2015-2016 Campaign, were comprised of the following:

<u>Annual Campaign Support</u>	
Local Campaign Promises	\$ 3,552,285
Less: Allowance for Uncollectible Accounts	<u>(96,753)</u>
Net Annual Campaign Support	3,455,532
<u>Amounts Collected</u>	
Local Campaign Promises	<u>(2,670,916)</u>
Promises to Give, Before Designation to Other Agencies	784,616
Less: Designation to Other Agencies Reflected as Amounts Raised on Behalf of Others	<u>(112,714)</u>
Promises to Give, Net	<u>\$ 671,902</u>

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	<u>(84,676)</u>
Promises to Give, Net	<u>\$ 661,239</u>

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

(with comparative totals for 2015)

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

Promises to give, Net at June 30, 2016, consisted of the following:

Local Campaign Promises	\$881,369
Less: Allowance for Uncollectible Accounts	<u>(96,753)</u>
Promises to Give, Before Designation to Other Agencies	784,616
Less: Designation to Other Agencies Reflected as Amounts Raised on Behalf of Others	<u>(112,714)</u>
Promises to Give, Net	<u>\$671,902</u>

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	<u>(84,676)</u>
Promises to Give, Net	<u>\$661,239</u>

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016
(with comparative totals for 2015)

NOTE 6 - DESIGNATIONS FROM OTHER UNITED WAYS, NET

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

	<u>2016</u>	<u>2015</u>
Gross Revenue	\$281,222	\$291,190
Less: Designation Expense	(15,640)	(24,642)
Less: Provision for Uncollectible Designations	<u>(28,945)</u>	<u>(50,326)</u>
Designations from Other United Ways, Net	<u>\$236,637</u>	<u>\$216,222</u>

NOTE 7 - LAND, BUILDING AND EQUIPMENT, NET

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

	<u>2016</u>	<u>2015</u>
Land	\$ -	\$ 145,900
Buildings and Improvements	-	780,816
Office Furniture, Software and Equipment	<u>162,794</u>	<u>155,487</u>
Total	162,794	1,082,203
Less: Accumulated Depreciation	<u>(154,168)</u>	<u>(449,227)</u>
Land, Building and Equipment, Net	<u>\$ 8,626</u>	<u>\$ 632,976</u>

Expenses related to Rental income include Depreciation expense of approximately \$1,400 and \$6,600 for the years ended June 30, 2016 and 2015, respectively.

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

(with comparative totals for 2015)

NOTE 8 – ASSETS AVAILABLE FOR SALE, NET

During the year ended June 30, 2016 United Way decided to sell their Land and Building located in Danbury, Connecticut, and lease office space in town. The assets were listed for sale with a broker, and accordingly, the assets were classified as Available for Sale, net on the accompanying financial statements.

Assets Available for Sale, Net at June 30, 2016 consisted of the following:

Land	\$145,900
Buildings and Improvements	<u>780,715</u>
Total	926,615
Less: Accumulated Depreciation	<u>(321,142)</u>
Land, Improvements and Building, Net	<u>\$605,473</u>

NOTE 9 - 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. 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.

Agency assets and liabilities at June 30 consisted of the following:

	<u>2016</u>	<u>2015</u>
<u>Agency Assets:</u>		
Promises to Give, Net	\$112,714	\$84,676
Cash	<u>9,062</u>	<u>10,834</u>
Total	<u>\$121,776</u>	<u>\$95,510</u>
<u>Agency Liabilities:</u>		
Designations	\$112,714	\$84,676
Sandy Hook School Support Fund	-	571
Sandy Hook School Immediate Needs Fund	460	460
<u>Fiscal Processing Arrangements:</u>		
New Milford Culinary School	234	234
Car Seat Safety Program	4,119	4,872
Walking Project	3,874	4,322
Healthy 2020	<u>375</u>	<u>375</u>
Total	<u>\$121,776</u>	<u>\$95,510</u>

UNITED WAY OF WESTERN CONNECTICUT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016
(with comparative totals for 2015)

NOTE 9 - GRANTS

United Way is the recipient of several grants. Grant revenue is recognized as expenditures against the grants that 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.

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

<u>2016</u>	<u>Refundable Advances</u>	<u>Grant Revenue</u>
Discovery (a)	\$ -	\$ 486,945
State of CT - Education Match (b)	-	40,188
Emergency Food and Shelter (c)	-	164,412
Strong Start Neighborhood Initiative (d)	35,007	77,955
Danbury Grant for Social Services (f)	15,000	416,500
Strive-Cradle to Career Initiative (h)	<u>-</u>	<u>47,500</u>
Total	<u>\$50,007</u>	<u>\$1,233,500</u>
<u>2015</u>	<u>Refundable Advances</u>	<u>Grant Revenue</u>
Discovery (a)	\$ -	\$435,334
State of CT - Education Match (b)	-	39,582
Emergency Food and Shelter (c)	-	159,108
Strong Start Neighborhood Initiative (d)	112,962	-
Department of Justice-SHSS (e)	-	141,558
Danbury Grant for Social Services (f)	-	418,750
Financial Resource Center (g)	<u>-</u>	<u>30,000</u>
Total	<u>\$112,962</u>	<u>\$1,224,332</u>

- (a) For the years ended June 30, 2016 and 2015, respectively, in addition to the Direct program expenses of \$511,115 and \$413,032, Salary expenses of \$60,427 and \$22,302 was charged to the Grant, respectively.
- (b) Included in Salary expense in the accompanying financial statements for the years ended June 30, 2016 and 2015, respectively, is \$40,188 and \$39,582 applicable to the State of CT – Education Match Grant.
- (c) Chargeable to the grant for the years ended June 30, 2016 and 2015, respectively, is \$3,287 and \$2,728 of allowable Administrative expenses for the Emergency Food and Shelter grant, which are not included in Direct Program expenses.
- (d) During the year ended June 30, 2015, United Way received \$112,962 in funding for the Strong Start Neighborhood Initiative which provided both a broad community perspective and a targeted focus on two specific neighborhoods: one in Stamford and one in Danbury. No funds had been expended as of June 30, 2015.

During the year ended June 30, 2016, expenditures of \$77,955 had been charged to the Grant, and United Way reflected \$35,007 as Refundable Advances on Grants, in the accompanying financial statements.

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

(with comparative totals for 2015)

NOTE 9 - GRANTS (continued)

- (e) United Way received 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.
- (f) 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 \$416,500, and \$418,750, for the years ended June 30, 2016 and 2015, respectively.
- (g) Included in Salary expense in the accompanying financial statements for the year ended June 30, 2015 is \$30,000 applicable to the Financial Resource Center Grant.
- (h) During the year ended June 30, 2016, United Way received funding from the Connecticut Department of Labor for implementation of the Strive Together Cradle to Career Collective Impact Movement in the Stamford area

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 \$808,169 and \$869,124 as of June 30, 2016 and 2015, respectively.

Board Designated - Other

	<u>2016</u>	<u>2015</u>
Stabilization Reserve Fund (a)	\$ 418,354	\$ 418,354
Technology Solutions for Not-for-Profits (b)	-	7,388
Special Allocations (c)	-	35,000
Stamford Society (d)	62,655	112,655
Future Community Impact Awards (e)	95,993	125,993
Stamford Rent and Operations (f)	520,000	600,000
Furthering Volunteerism (g)	180,000	180,000
Community Fund Food Allocations (h)	20,000	-
Discovery Program Match (i)	12,500	-
Community Impact Operations (j)	<u>678,150</u>	<u>473,059</u>
Total	<u>\$1,987,652</u>	<u>\$1,952,449</u>

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

(with comparative totals for 2015)

NOTE 10 - NET ASSETS

Unrestricted - Board Designated (continued)

- (a) Designated to insure against unforeseen campaign, economic and organizational circumstances.
- (b) Designated at June 30, 2015 to fund area not-for-profits in obtaining computers, software and IT support.
- (c) At June 30, 2015, \$35,000 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.
- (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, which in the Board's opinion were not being adequately addressed by the annual Campaign and the annual Allocations process of which \$62,655 and \$112,655 remained designated at June 30, 2016 and 2015, respectively.
- (e) The Board of Directors had 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 of which \$95,993 and \$125,993 remained Designated at June 30, 2016 and 2015, respectively.
- (f) The Board of Directors had 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 of which \$520,000 and \$600,000 remained Designated at June 30, 2016 and 2015, respectively.
- (g) The Board of Directors had Designated \$340,000 for activities and programs to encourage volunteerism, of which \$180,000 remained Designated as of June 30, 2016 and 2015.
- (h) During the year ended June 30, 2016, the Board of Directors Designated \$20,000 to fund future Community food initiatives.
- (i) During the year ended June 30, 2016, the Board of Directors Designated \$12,500 as matching funds for the Discovery Initiatives grant.
- (j) During the year ended June 30, 2016 and 2015, the Board of Directors Designated \$678,150 and \$473,059 for future grants or endowments for programs.

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016
 (with comparative totals for 2015)

NOTE 10 - NET ASSETS (continued)

Temporarily Restricted

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

<u>Purpose Restricted</u>	<u>2016</u>	<u>2015</u>
The Giving Fund	\$ -	\$ 181
Graustein Foundation	-	1,101
Center for Financial Stability	43,897	-
Strive Together Cradle to Career	3,394	-
Discovery Initiative	<u>46,055</u>	<u>39,228</u>
Total Purpose Restricted	<u>93,346</u>	<u>40,510</u>
 <u>Time Restricted</u>		
Back to School	19,000	10,500
Youth Leadership	-	2,500
Imagination Library	-	34,500
The Volunteer Center	15,000	-
The Volunteer Center – Save Program	15,000	-
Strong Start	2,000	-
Support Restricted for Community Impact Grants and Distributions in Subsequent Year	<u>1,009</u>	<u>6,749</u>
Total Time Restricted	<u>52,009</u>	<u>54,249</u>
 <u>Time and Purpose Restricted</u>		
The Sandra L. and John P. Rankin Education and Income Fund	<u>50,000</u>	<u>-</u>
Total Temporarily Restricted	<u>\$195,355</u>	<u>\$94,759</u>

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

(with comparative totals for 2015)

NOTE 10 - NET ASSETS (continued)

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>2016</u>	<u>2015</u>
<u>Satisfaction of Purpose Restrictions</u>		
Back to School		
The Giving Fund	\$ -	\$ 6,249
Sandy Hook State Police Training/SHSS Relief Efforts	181	3,740
Graustein Foundation		25,190
United Way Worldwide Health Mobilization	1,101	10,373
Imagination Library	-	3,226
Grossman Foundation – "Parents as Teachers"	-	20,400
	<u>-</u>	<u>12,163</u>
Total Purpose Restrictions	<u>1,282</u>	<u>81,341</u>
<u>Expiration of Time Restrictions</u>		
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 Restrictions	<u>43,749</u>	<u>-</u>
TOTAL	<u>\$45,031</u>	<u>\$81,341</u>

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 \$93,500 and \$107,000 for the years ended June 30, 2016 and 2015, respectively, are included in Employee benefits.

UNITED WAY OF WESTERN CONNECTICUT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016
(with comparative totals for 2015)

NOTE 12 - LEASE ARRANGEMENTS

Rental Income - NFC

United Way leased a portion of its Danbury facility to a Not-for-profit tenant on a month-to-month basis at an annual rental of \$12,000. The tenant vacated the premises during the year. Rental income on this lease amounted to \$3,750 and \$12,000 for the years ended June 30, 2016 and 2015, respectively.

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 continued to occupy the premises on a month-to-month basis, under the same terms and conditions of the expired sub-lease agreement, and vacated the premises during the year.

Rental income on the Stamford lease amounted to approximately \$3,238 and \$6,100 for the years ended June 30, 2016 and 2015, 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, 2016
(with comparative totals for 2015)

NOTE 12 - LEASE ARRANGEMENTS (continued)

Rental Expense – Litchfield

United Way leases office space in New Milford on a month-to-month basis for \$300 per month in order to service 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, 2016 for the years ended June 30, are as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2017	\$ 99,552
2018	101,927
2019	104,302
2020	106,677
2021	109,052
2022 and thereafter	<u>120,730</u>
Total	<u>\$642,240</u>

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

(with comparative totals for 2015)

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>2016</u>	<u>2015</u>
<u>Revenue</u>	<u>\$193,454</u>	<u>\$195,200</u>
<u>Expenses</u>		
Fund-raising Event Expenses	54,666	49,984
Direct Benefit to Donors	<u>51,986</u>	<u>43,027</u>
Total Expenses	<u>106,652</u>	<u>93,011</u>
Net	<u>\$ 86,802</u>	<u>\$102,189</u>

NOTE 14 - LINE OF CREDIT

In October 2015, United Way entered into a \$500,000 revolving Line of Credit Agreement, subject to annual review and renewal. The Line bears interest at the Prime rate plus 1.0%. The Prime rate at June 30, 2016 was 3.50%. The Line is secured by the investments in the account at the brokerage affiliate of Union Savings Bank, with United Way being required to maintain a minimum balance of \$1,000,000. 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. Interest expense on the Line of Credit amounted to \$3,125 for the year ended June 30, 2016.

UNITED WAY OF WESTERN CONNECTICUT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

(with comparative totals for 2015)

NOTE 15 - SUBSEQUENT EVENTS

In July 2016, United Way entered into a lease agreement to rent office space in Danbury, Connecticut to facilitate the sale of their Land and Building. The term of the agreement is for five years and expires on July 31, 2021. United Way is responsible for its share of utilities. United way has the option to renew this lease for an additional five years, at an annual rate of \$50,255, providing they notify the landlord not later than six months prior to the expiration of the original lease.

Future Minimum lease payments at June 30, 2016 for the years ended June 30, are as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2017	\$ 36,053
2018	39,330
2019	43,336
2020	47,706
2021	48,069
2022	<u>4,006</u>
Total	<u>\$218,500</u>

NOTE 16 - 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, 2015 and for the year ended June 30, 2015, from which the summarized information was derived.