

**UNITED WAY OF SOUTHEASTERN
CONNECTICUT, INC.**

FINANCIAL STATEMENTS

JUNE 30, 2016

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CONNECTICUT, INC.**

FINANCIAL STATEMENTS

JUNE 30, 2016

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Board of Directors
United Way of Southeastern
Connecticut, Inc.
P.O. Box 375
Gales Ferry, CT 06335

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of United Way of Southeastern Connecticut, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2016, and the related statements of activities and cash flows 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 for these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Southeastern 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.

Stacey L. Gualtieri, CPA
Kathleen A. Steamer, CPA
Audrey A. Leone, CPA

Report on Summarized Comparative Information

We have previously audited United Way of Southeastern Connecticut, Inc.'s 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 17, 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.

Doherty, Beals & Banks
DOHERTY, BEALS & BANKS, P.C.
New London, Connecticut

August 30, 2016

UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2016
WITH COMPARATIVE TOTALS FOR 2015

	Unrestricted	Temporarily	Permanently	Totals	
		Restricted	Restricted	2016	2015
ASSETS					
Cash-checking	\$ 378,807	\$ 118,873	\$ 48,208	\$ 545,888	\$ 703,228
Cash-savings	1,220,915	-	-	1,220,915	1,223,068
Total cash	1,599,722	118,873	48,208	1,766,803	1,926,296
Investments (note 3)	3,437,526	-	-	3,437,526	3,468,996
Pledges receivable (net of allowance for uncollectibles of \$183,637)	489,440	2,451,676	-	2,941,116	2,329,198
Land, building and equipment (net) (note 4)	1,822,793	-	-	1,822,793	1,943,296
Beneficial Interest in Perpetual Trust (note 3)	-	-	133,406	133,406	143,925
Beneficial Interest in assets held by Community Foundation (note 3 & 5)	149,004	-	-	149,004	159,238
TOTAL ASSETS	\$ 7,498,485	\$ 2,570,549	\$ 181,614	\$ 10,250,648	\$ 9,970,949
LIABILITIES AND NET ASSETS					
LIABILITIES					
Accounts payable	\$ 11,769	\$ -	\$ -	\$ 11,769	\$ 7,851
Accrued wages	17,115	-	-	17,115	62,668
Donor directed allocations payable	-	229,081	-	229,081	236,801
Mortgage payable (note 6)	298,890	-	-	298,890	333,075
TOTAL LIABILITIES	327,774	229,081	-	556,855	640,395
NET ASSETS					
Unrestricted Available for general activities	1,753,960	-	-	1,753,960	1,329,667
Invested in land, building, and equipment	1,822,793	-	-	1,822,793	1,943,296
Board designated (note 8)	3,593,958	-	-	3,593,958	3,653,618
Temporarily restricted (note 7)	-	2,341,468	-	2,341,468	2,211,840
Permanently restricted (note 9)	-	-	181,614	181,614	192,133
TOTAL NET ASSETS	7,170,711	2,341,468	181,614	9,693,793	9,330,554
TOTAL LIABILITIES AND NET ASSETS	\$ 7,498,485	\$ 2,570,549	\$ 181,614	\$ 10,250,648	\$ 9,970,949

See notes to financial statements.

UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE TOTALS FOR 2015

SUPPORT AND REVENUE

	Unrestricted		Temporarily		Permanently		Totals	
	Undesignated	Designated	Restricted	Restricted	Restricted	Restricted	2016	2015
Annual Campaign results	\$ 104,772	\$ -	\$ 5,371,121	\$ -	\$ -	\$ -	\$ 5,475,893	\$ 5,489,840
Less: amount designated by donors for specific organizations	-	-	(745,781)	-	-	-	(745,781)	(928,364)
Allowance for uncollectibles	-	-	(183,637)	-	-	-	(183,637)	(180,747)
Total Annual Campaign	104,772	-	4,441,703	-	-	-	4,546,475	4,380,729
Food Center revenue	3,509,723	-	-	-	-	-	3,509,723	3,758,730
Contributions (note 10)	143,325	-	22,488	-	-	-	165,813	267,740
Administrative fees retained on amounts designated and programs	46,844	-	-	-	-	-	46,844	44,393
Grants	325,000	-	17,756	-	-	-	342,756	285,993
Investment income	13,130	92,197	-	-	-	-	105,327	82,398
Realized gains (losses)	-	(54,268)	-	-	-	-	(54,268)	20,306
Unrealized gains (losses)	-	(43,410)	-	-	(10,519)	-	(53,929)	40,681
Net assets released from restriction:								
Expiration of time restriction	4,315,260	-	(4,315,260)	-	-	-	-	-
Purpose restriction accomplished	37,059	-	(37,059)	-	-	-	-	-
	\$ 8,495,113	\$ (5,481)	\$ 129,628	\$ (10,519)	\$ (10,519)	\$ (10,519)	\$ 8,608,741	\$ 8,880,970

TOTAL SUPPORT AND REVENUE

See notes to financial statements.

UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE TOTALS FOR 2015

	Unrestricted		Temporarily Restricted	Permanently Restricted	Totals	
	Undesignated	Designated			2016	2015
ALLOCATIONS AND EXPENSES						
Allocations to agencies (page 14)	\$ 2,287,324	\$ -	\$ -	\$ -	\$ 2,287,324	\$ 2,444,503
Food center	4,027,919	-	-	-	4,027,919	4,561,256
Community investment	362,918	-	-	-	362,918	498,575
Direct programs	350,850	2,759	-	-	353,609	418,705
Total Direct Support	7,029,011	2,759	-	-	7,031,770	7,923,039
Campaign	624,791	-	-	-	624,791	673,246
Marketing	118,899	-	-	-	118,899	128,421
Administration	440,909	29,133	-	-	470,042	540,694
TOTAL ALLOCATIONS AND EXPENSES	8,213,610	31,892	-	-	8,245,502	9,265,400
CHANGE IN NET ASSETS						
Transfer between funds	281,503	(37,373)	129,628	(10,519)	363,239	(384,430)
	22,287	(22,287)	-	-	-	-
NET ASSETS, BEGINNING	3,272,963	3,653,618	2,211,840	192,133	9,330,554	9,714,984
NET ASSETS, ENDING	\$ 3,576,753	\$ 3,593,958	\$ 2,341,468	\$ 181,614	\$ 9,693,793	\$ 9,330,554

See notes to financial statements.

UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE TOTALS FOR 2015

	PROGRAMS			OPERATIONS			TOTALS	
	Food Center	Community Investment	Direct Programs	Campaign	Marketing	Administration	2016	2015
Salaries	\$ 416,588	\$ 209,101	\$ -	\$ 368,953	\$ 36,572	\$ 217,330	\$1,248,544	\$1,559,588
Benefits and taxes	128,478	50,813	-	101,737	12,359	110,466	403,853	477,528
TOTAL SALARY EXPENSES	545,066	259,914	-	470,690	48,931	327,796	1,652,397	2,037,116
Office expenses	2,486	1,656	-	1,868	319	4,000	10,329	19,351
Postage	256	1,617	-	3,922	793	1,692	8,280	5,564
Conferences, education and other	4,071	10,930	-	10,940	20	1,914	27,875	39,695
Meeting expense	194	585	-	135	43	623	1,580	3,902
Campaign	7,581	-	-	41,186	96	-	48,863	83,244
Marketing and ads	-	-	-	-	57,811	-	57,811	45,140
Subscriptions and dues	60	1,392	-	936	405	833	3,626	4,582
Telephone	10,241	6,769	-	7,510	780	6,563	31,863	32,358
Utilities	34,615	6,974	-	7,738	804	6,762	56,893	69,670
Building maintenance	27,643	14,030	-	15,565	1,618	13,603	72,459	78,961
Equipment maintenance	5,166	12,262	-	6,157	1,185	5,593	30,363	32,691
Auto expenses	14,767	166	-	181	31	-	15,145	17,889
Insurance expense	24,021	4,390	-	4,870	506	4,256	38,043	35,691
Professional fees	8,376	9,766	-	10,832	1,126	60,165	90,265	63,997
Mortgage interest expense	-	4,104	-	4,553	473	3,979	13,109	14,649
Depreciation expense	89,518	14,697	-	16,307	1,692	14,246	136,460	127,199
UWA dues	6,651	12,251	-	19,185	2,031	16,150	56,268	53,923
UW of CT dues	768	1,415	-	2,216	235	1,867	6,501	17,866
Food donated (note 12)	3,160,349	-	-	-	-	-	3,160,349	3,431,985
Food purchased	81,282	-	-	-	-	-	81,282	159,836
Mobile pantry expense	3,656	-	-	-	-	-	3,656	20,429
Miscellaneous	1,152	-	-	-	-	-	1,152	6,455
Direct program support (note 11)	-	-	353,609	-	-	-	353,609	418,705
TOTAL FUNCTIONAL EXPENSES	\$4,027,919	\$ 362,918	\$ 353,609	\$ 624,791	\$ 118,899	\$ 470,042	\$5,958,178	\$6,820,898

See notes to financial statements.

UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE TOTALS FOR 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 363,239	\$ (384,430)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	136,460	127,199
Realized (gains) losses	54,268	(20,306)
Unrealized (gains) losses	53,929	(40,681)
(Increase) decrease in operating assets		
Pledges receivable	(611,918)	(30,661)
Increase (decrease) in operating liabilities		
Accounts payable	3,918	5,223
Accrued wages	(45,553)	-
Donor directed allocations payable	(7,720)	(9,018)
	<u>(53,377)</u>	<u>(352,674)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(53,377)	(352,674)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of investments	1,204,093	3,364,761
Purchase of investments	(1,260,067)	(3,386,513)
Payments made on mortgage	(34,185)	(32,843)
Payments for building improvements and equipment	(15,957)	(136,017)
	<u>(106,116)</u>	<u>(190,612)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(106,116)	(190,612)
 CHANGE IN CASH	(159,493)	(543,286)
 CASH - BEGINNING	<u>1,926,296</u>	<u>2,469,582</u>
 CASH - ENDING	<u>\$ 1,766,803</u>	<u>\$ 1,926,296</u>

Cash paid for interest during 2016 year was \$13,108.

See notes to financial statements.

UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Purpose

The United Way of Southeastern Connecticut, Inc.'s mission is to change our community by helping people in need through responsible use of donations. The Organization obtains and leverages resources to create sustainable solutions that make our community a healthy place to live, work, and play.

Method of Accounting

The United Way of Southeastern Connecticut, Inc. maintains its books and records on the accrual basis. Under this method, pledges are recorded when made and expenses are recorded as incurred.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Income Taxes

The United Way of Southeastern Connecticut, Inc. is organized as a non-profit corporation in the State of Connecticut. It is exempt from Federal Income Taxes under Section 501(c)(3) of the Internal Revenue Code. The Corporation has been classified as an organization that is not a private foundation under Section 509(a)(2).

Tax years ended September 30, 2013 through 2015 remain subject to examination by major tax jurisdictions.

Use of Estimates

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

Prior Year Comparative Totals

The financial information shown for 2015 in the accompanying financial statements is included to provide a basis for comparison with 2016 and presents summarized totals only. Such total amounts do not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such amounts should be read in conjunction with the Organization's financial statements for the year ended June 30, 2015, from which the comparative total amounts were derived.

Cash Equivalents

Cash equivalents as used in the statement of cash flows are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash.

UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Fair value is generally determined based on quoted prices in active markets. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities

Fair Values of Financial Instruments

The fair values of financial instruments have been determined through quoted market prices or present value techniques to approximate the amounts recorded in the statement of financial position.

Land, Building and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation.

Depreciation of the Organization's assets is calculated using the straight-line method over the estimated useful lives of the assets ranging from five to thirty years.

Endowment Fund

The Organization's permanently restricted net assets consist of funds discussed in note 9. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until it is appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by Connecticut UPMIFA which requires consideration of the following factors: (1) the duration and preservation of the endowment funds, (2) the purposes of the Organization and the endowment funds, (3) general economic conditions, (4) the possible effect of inflation or deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policy.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Subsequent Events

Management has evaluated subsequent events through August 30, 2016, the date which the financial statements were available for issue.

2. CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation and the National Credit Union Administration up to \$250,000. At year end cash balances exceeded this amount by \$119,800.

3. INVESTMENTS

The Investment Policy Statement sets an investment objective of preserving the long-term, real (inflation adjusted) value of invested assets, while providing access to a relatively stable stream of distributions in support of the Organization. These goals are expected to be achieved by means of diversified investments across and within multiple asset classes. Investment allocation target ranges are set at 50% - 70% for equities, 30% - 50% for fixed income, and 0% - 15% for alternative investments. Performance is assessed on a regular basis against benchmarks, and evaluated over a long-term investment horizon. The Organization retains an investment advisor to assist the Investment Committee with implementation of the Policy, including asset allocation, selection of investment managers, and performance monitoring and evaluation.

Generally accepted accounting principles establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure the fair value. The three levels of the fair value hierarchy are described as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities where the organization has the ability to access at the measurement date;

Level 2 – Significant other observable inputs other than quoted prices included in level 1, which are observable for the asset or liability, either directly or indirectly (i.e. quoted prices in inactive markets, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency);

Level 3 – Unobservable inputs are used to the extent that observable inputs are unavailable due to little, if any, market activity for the asset or liability. Unobservable inputs are developed based on the best information available, which might include the organization's own data that reflects assumptions that market participants would use in pricing the asset or liability.

UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2016

3. INVESTMENTS (Continued)

The following table sets forth by level, within the fair value hierarchy, the investments' fair values as June 30, 2016:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash	\$ 177,163	\$ 177,163		
Fixed Income	1,198,349	1,198,349		
Equities	2,055,662	2,055,662		
Alternative Investment	6,352	6,352		
Investments	<u>\$3,437,526</u>	<u>\$3,437,526</u>		
Beneficial Interest in Perpetual Trust	\$ 133,406		\$ 133,406	
Beneficial Interest in assets held by Community Foundation	\$ 149,004			\$ 149,004

4. LAND, BUILDING AND EQUIPMENT

A summary of land, building, and equipment is as follows:

Land and building	\$ 2,694,470
Equipment and vehicle	<u>572,704</u>
	3,267,174
Accumulated Depreciation	<u>(1,444,381)</u>
	<u>\$ 1,822,793</u>

5. BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATION

The Community Foundation of Southeastern Connecticut and the United Way of Southeastern Connecticut, Inc. entered into an agreement dated November 22, 1993, which created the United Way Fund (the Fund). The Fund is co-mingled and invested with the Community Foundation's pool of assets. The Fund is subject to the Community Foundation's investment guidelines and spending rule and is restricted to benefit the United Way of Southeastern Connecticut, Inc.

The funds were deposited into the Community Foundation's pool of assets. The United Way's contributions through 2016 were \$117,083. The market value of the Fund at June 30, 2016, was \$149,004.

6. MORTGAGE PAYABLE

Mortgage note payable in monthly installments of \$3,941. Interest rate is a five year adjustable with a current rate of 4.06%. The mortgage is due in full in 2023. The mortgage is secured by real estate of the Organization at 283 Stoddards Wharf Road, Gales Ferry, CT with a net book value of \$955,792.

\$ 298,890

UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2016

6. MORTGAGE PAYABLE (Continued)

Maturities on long-term debt are as follows:

2017	35,894
2018	37,379
2019	38,925
2020	40,235
2021	41,545
Thereafter	104,912
	\$ 298,890

7. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes or periods:

2015 Campaign	\$ 2,222,595
Our Community Fund	59,817
End Homelessness Fund	35,095
Labor Relations	2,268
Permanent Fund Appreciation	21,693
	\$ 2,341,468

8. BOARD DESIGNATED NET ASSETS

Smith Fund

Mr. & Mrs. Laurence Smith's initial contribution to the United Way Pooled Income Fund was \$15,000 which was made in 1990. From 1997 to 2006, they contributed an additional \$1.5 million to this fund. In the fall of 2006, Mr. & Mrs. Smith renounced their right to the interest income in this fund which gives United Way the control over this fund. At the end of 2006, the trust fund was officially transferred to United Way and was named the Smith Fund.

Dorothy Hunter Fund

In 1990, the United Way received \$514,000 from the Estate of Dorothy R. Hunter. There were no restrictions on the fund. In 1993, United Way transferred \$114,000 out of this fund to the Community Foundation of Southeastern CT to establish an endowment fund.

Gilman Fund

Mrs. Edna G. Gilman was an active supporter of United Way starting in 1962. Her services to United Way ranged from Allocation Committee member to United Way Board Chair. In recognize Mrs. Gilman's services to this community, the Gilman Fund was established in her memory.

UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2016

8. BOARD DESIGNATED NET ASSETS (Continued)

Heritage Fund

This is a memorial fund. United Way receives donations from the public in memory of their loved ones and the funds are used at the discretion of the Board.

The above Funds are intended to support the following purposes, as well as any others that may be identified and approved by the Board of Directors:

- providing financial stability during times when expenses exceed revenue, but are not intended to support normal operating expenses on an ongoing basis;
- funding the cost of capital expenditure projects, such as the addition or replacement of major equipment and vehicles and the renovation or modification of facilities; and
- funding of special programs, as identified and approved by the Board, to address an immediate and urgent need that cannot be covered within the approved operating budget.

9. PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets consist of the following funds:

Smyser Perpetual Trust	\$ 133,406
General Endowment	48,208
	<u>\$ 181,614</u>

10. CONTRIBUTIONS

Contributions valued at \$165,813 were collected through special fund raising activities. These fund raisers are independent of the United Way's Annual Campaign and include contributions for the food center, project warm-up, loaned employees fund, and various other projects.

A substantial number of volunteers have donated significant amounts of their time in the Organization's program services and in its fund raising campaigns, however, only those services meeting the criteria for recording were included in the Statement of Activities.

UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2016

11. DIRECT PROGRAMS

Direct Programs supported the following community needs:

End Homeless	\$ 284,194
Food HUB Feasibility Study	13,060
Project Warm-Up	13,064
Nonprofit Economy Income Study	2,000
CT ALICE	4,500
Individual Development Account	2,000
Other Community Programs	1,925
Labor Relations Fund	22,866
Day of Caring	10,000
	<u>\$ 353,609</u>

12. FOOD CENTER

The food center received 1,919,216 pounds of food in 2016. The estimated value of those items recorded in the financial statements is \$3,160,349. The Organization uses the Feeding America's price per pound to calculate the value of the donated food.

UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.
SCHEDULE OF DESIGNATIONS AND ALLOCATIONS TO AGENCIES
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Designations Through United Way</u>	<u>Designations Through Third Party</u>	<u>Allocations</u>	<u>Total</u>
Alliance for Living	\$ 3,223	\$ 2,844	\$ 67,427	\$ 73,494
American Red Cross	7,260	50	63,053	70,363
ARC/New London County	11,654	5,362	38,245	55,261
Catholic Charities	14,226	21,177	118,437	153,840
Child and Family Agency	13,875	10,222	387,320	411,417
Connecticut Legal Services	3,140	2,947	28,167	34,254
Covenant Shelter	4,741	9,661	43,940	58,342
Drop-In Learning Center	4,982	2,820	73,099	80,901
Jewish Federation	3,154	2,124	7,576	12,854
Madonna Place	15,974	12,812	110,927	139,713
Martin House	7,134	2,976	126,009	136,119
Opportunities Industrialization Center	2,382	1,202	195,792	199,376
Pawcatuck Neighborhood Center	24,810	32,185	-	56,995
Riverfront Children's Center	7,694	-	138,791	146,485
S.C.A.D.D	4,621	-	87,282	91,903
Safe Futures	25,912	43,465	120,692	190,069
Sound Community Services	698	-	43,000	43,698
T.V.C.C.A.	4,992	-	25,246	30,238
Thames River Community Service	15,889	3,257	66,584	85,730
United Cerebral Palsy	3,062	520	18,256	21,838
United Community and Family Services	4,400	5,012	362,438	371,850
United Way 2-1-1	-	-	51,433	51,433
Visiting Nurses Assoc. of Southeastern Connecticut	10,751	12,467	113,610	136,828
Designations to Other Organizations	137,600	425,087	-	562,687
TOTAL	<u>\$ 332,174</u>	<u>\$ 596,190</u>	<u>\$ 2,287,324</u>	<u>\$ 3,215,688</u>

See notes to financial statements.

UNITED WAY OF SOUTHEASTERN CONNECTICUT, INC.
SCHEDULE OF CHANGES IN BOARD DESIGNATED NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2016

	Balance July 1, 2015	Allocations/ Transfers from Other Funds (Net)	Realized Gain (Loss)	Unrealized Gain (Loss)	Investment Income and Donations	Direct Fund Expenses	Balance June 30, 2016
Smith Fund	\$ 2,587,368	\$ (48,791)	\$ (41,884)	\$ (28,630)	\$ 68,712	\$ 22,485	\$ 2,514,290
Dorothy Hunter Fund	806,189	(58,355)	(11,668)	(7,976)	19,141	8,264	739,067
Capital Expenditures Fund	10,948	124,400	-	-	-	15,957	119,391
Gilman Fund	63,047	(17,254)	(716)	(490)	1,175	385	45,377
Heritage Fund	26,828	-	-	-	-	-	26,828
Interest in Assets held by Community Fdn	159,238	(6,330)	-	(6,314)	3,170	759	149,005
TOTAL	\$ 3,653,618	\$ (6,330)	\$ (54,268)	\$ (43,410)	\$ 92,198	\$ 47,850	\$ 3,593,958

BOARD DESIGNATED NET ASSETS (note 8)

See notes to financial statements.