

United Way of Connecticut, Inc. and Subsidiary

**Report on Consolidated Financial Statements
(With Supplementary Information)**

Years Ended June 30, 2008 and 2007

UNITED WAY OF CONNECTICUT, INC. AND SUBSIDIARY

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Report of Independent Public Accountants

To the Board of Directors
United Way of Connecticut, Inc.


We have audited the accompanying consolidated statements of financial position of United Way of Connecticut, Inc. (a nonprofit organization) and Subsidiary, (collectively referred to herein as the "Organization") as of June 30, 2008 and 2007, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of United Way of Connecticut, Inc. and Subsidiary as of June 30, 2008 and 2007, and the consolidated changes in their net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2008, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The consolidating information on pages 14-16 is presented for purposes of additional analysis and is not a required part of the 2008 basic consolidated financial statements of United Way of Connecticut, Inc. and Subsidiary. Such information has been subjected to the auditing procedures applied in the audit of the 2008 basic consolidated financial statements and, in our opinion, is fairly stated in all material respects, in relation to the 2008 basic consolidated financial statements taken as a whole.


Glastonbury, Connecticut
November 18, 2008

UNITED WAY OF CONNECTICUT, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2008 AND 2007

ASSETS

	<u>2008</u>	<u>2007</u>
Current assets:		
Cash and cash equivalents	\$ 3,213,274	\$ 2,898,583
Prepaid expenses	13,903	24,014
Contracts receivable	281,464	103,019
Local United Way receivables	54,336	24,032
Other receivables	60,882	83,596
Total current assets	<u>3,623,859</u>	<u>3,133,244</u>
Office furniture and equipment, at cost	2,682,720	2,682,720
Less accumulated depreciation	<u>(2,388,402)</u>	<u>(1,975,284)</u>
Total office furniture and equipment	<u>294,318</u>	<u>707,436</u>
Totals	<u>\$ 3,918,177</u>	<u>\$ 3,840,680</u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable and accrued expenses	\$ 890,535	\$ 590,358
Refundable advances	1,422,142	1,184,483
Deferred revenue	76,749	55,547
Total current liabilities	<u>2,389,426</u>	<u>1,830,388</u>
Contingency		
Unrestricted net assets	<u>1,528,751</u>	<u>2,010,292</u>
Totals	<u>\$ 3,918,177</u>	<u>\$ 3,840,680</u>

See Notes to Consolidated Financial Statements.

UNITED WAY OF CONNECTICUT, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
Change in unrestricted net assets:		(Restated)
Revenues, gains and other support:		
Governmental grants and contracts	\$ 13,364,696	\$ 13,643,679
Local United Way revenue	644,714	668,914
Grants and contracts, other	177,212	607,025
Miscellaneous	52,349	60,724
Interest income	58,818	84,200
Directory sales	1,831	1,835
Database income	2,332	2,429
Total revenues, gains and other support	<u>14,301,952</u>	<u>15,068,806</u>
Expenses:		
Program services:		
2-1-1 Health and Human Services	5,653,945	5,991,680
Care 4 Kids	6,243,392	5,819,073
Community Results Center	323,078	670,046
Basic Needs Program	-	371,589
Connecticut Parents Plus Program	-	322,925
Other programs	90,682	107,864
Total program expenses	<u>12,311,097</u>	<u>13,283,177</u>
Support services:		
Management and general	2,472,396	2,097,519
Total expenses	<u>14,783,493</u>	<u>15,380,696</u>
Change in net assets	<u>(481,541)</u>	<u>(311,890)</u>
Net assets, beginning of year, as originally stated	2,010,292	2,546,948
Prior period adjustment	-	(224,766)
Net assets, beginning of year, as restated	<u>2,010,292</u>	<u>2,322,182</u>
Net assets, end of year	<u>\$ 1,528,751</u>	<u>\$ 2,010,292</u>

See Notes to Consolidated Financial Statements.

UNITED WAY OF CONNECTICUT, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2008 (WITH COMPARATIVE TOTALS FOR 2007)

	Program Services				Supporting Services		2008 Total	2007 Total
	2-1-1 Health and Human Services	Care 4 Kids	Community Results Center	Other Programs	Total	Management and General		
Salaries	\$ 3,179,916	\$ 3,653,950	\$ 126,610	\$ 5,637	\$ 6,960,013	\$ 1,318,353	\$ 8,284,366	\$ 7,992,435
Health, pension and benefits	839,740	897,888	43,956	1,751	1,783,335	232,250	2,015,585	1,743,899
Payroll taxes	289,847	309,618	10,294	473	590,232	93,614	683,846	676,712
Total personnel expenses	4,299,503	4,861,456	180,860	7,761	9,339,580	1,644,217	10,983,797	10,413,046
Contract services	376,102	302,238	43,191	64,303	785,834	455,968	1,241,802	2,049,362
Occupancy	339,824	350,031	20,690	1,367	711,912	134,733	846,645	848,742
Depreciation	151,711	170,611	27,066	1,105	350,493	62,626	413,118	463,614
Basic Needs Programs payments	-	-	-	-	-	-	-	347,553
Postage	53,506	240,321	729	364	294,920	10,218	305,139	320,792
Telephone	129,561	66,068	6,849	221	202,699	38,362	241,061	297,344
Office supplies and program materials	137,315	135,754	7,253	7,066	287,388	33,141	320,529	232,658
Printing and copying	65,378	45,202	13,319	225	124,124	6,533	130,657	104,161
Miscellaneous	30,969	14,728	10,722	7,163	63,582	12,033	75,615	89,689
Staff training and development	27,907	23,040	8,005	528	59,480	22,279	81,759	70,623
Insurance	14,184	15,453	657	54	30,348	40,792	71,140	67,997
Travel	24,301	9,508	3,680	229	37,718	7,138	44,856	47,958
Advertising	13,684	8,982	57	296	23,019	4,356	27,375	27,157
Total expenses	\$ 5,653,945	\$ 6,243,392	\$ 323,078	\$ 90,682	\$ 12,311,097	\$ 2,472,356	\$ 14,783,493	\$ 15,380,696

See Notes to Consolidated Financial Statements.

UNITED WAY OF CONNECTICUT, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2007

	Program Services					Supporting Services		Total
	2-1-1 Health and Human Services	Care 4 Kids	Community Results Center	Basic Needs Programs	Connecticut Parents Plus Program	Other Programs	Management and General	
Salaries	\$ 3,084,665	\$ 3,393,715	\$ 308,195	\$ 17,737	\$ 73,414	\$ 8,387	\$ 1,106,322	\$ 7,992,435
Health, pension and benefits	683,005	731,154	72,103	1,535	12,277	2,463	241,362	1,743,899
Payroll taxes	259,442	287,967	27,302	1,598	5,196	1,548	93,659	676,712
Total personnel expenses	4,027,112	4,412,836	407,600	20,870	90,887	12,398	1,441,343	10,413,046
Contract services	1,021,714	305,079	163,106	24	181,929	65,660	311,850	2,049,362
Occupancy	347,246	349,564	26,690	1,360	5,568	845	117,469	848,742
Depreciation	178,935	196,862	17,878	1,029	4,259	486	64,165	463,614
Basic Needs Programs payment	-	-	-	347,553	-	-	-	347,553
Postage	42,001	270,900	970	279	1,895	549	4,198	320,792
Telephone	146,520	99,318	8,764	161	810	618	41,153	297,344
Office supplies and program materials	76,719	83,888	12,225	152	28,672	1,443	27,559	232,658
Printing and copying	34,327	43,308	9,326	37	1,425	10,530	5,208	104,161
Miscellaneous	32,968	17,972	10,419	59	4,907	10,953	12,411	89,689
Staff training and development	32,004	9,457	3,150	-	1,262	3,404	21,346	70,623
Insurance	12,608	13,524	1,112	50	260	23	40,420	67,997
Travel	23,948	8,771	7,106	9	964	522	6,638	47,958
Advertising	13,578	7,594	1,700	6	87	433	3,759	27,157
Total expenses	\$ 5,991,680	\$ 5,819,073	\$ 670,046	\$ 371,589	\$ 322,925	\$ 107,864	\$ 2,097,519	\$ 15,380,696

UNITED WAY OF CONNECTICUT, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
Operating activities:		
Change in net assets	\$ (481,541)	\$ (311,890)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	413,118	463,614
Changes in operating assets and liabilities:		
Prepaid expenses	10,111	3,804
Grants receivable	-	205,691
Contracts receivable	(178,445)	(52,519)
Local United Way receivables	(30,304)	(11,944)
Other receivables	22,714	(81,874)
Accounts payable and accrued expenses	300,177	(270,988)
Refundable advances	237,659	(353,755)
Deferred revenue	21,202	(58,218)
Net cash provided by (used in) operating activities	<u>314,691</u>	<u>(468,079)</u>
Investing activity - purchase of office furniture and equipment	<u>-</u>	<u>(68,388)</u>
Increase (decrease) in cash and cash equivalents	314,691	(536,467)
Cash and cash equivalents, beginning of year	<u>2,898,583</u>	<u>3,435,050</u>
Cash and cash equivalents, end of year	<u>\$ 3,213,274</u>	<u>\$ 2,898,583</u>
Supplemental disclosure of cash flow data:		
Interest paid	<u>\$ 15,391</u>	<u>\$ 4,411</u>

See Notes to Consolidated Financial Statements.

**UNITED WAY OF CONNECTICUT, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Note 1 - Organization and summary of significant accounting policies:

Organization and operations:

United Way of Connecticut, Inc. provides Connecticut's statewide information, referral, and crisis intervention services, 24 hours a day, 7 days a week. United Way of Connecticut, Inc. coordinates and facilitates the sharing of skills, information, and other resources among the 18 independent local United Ways in Connecticut. United Way of Connecticut, Inc. is a vehicle to identify and pursue public policy objectives which affect human services in Connecticut and through the Community Results Center, provides research and analysis that informs local planning, measures community change, and increases citizen decision-making capacity.

The Statewide Information, Referral, and Crisis Intervention Service Program ("2-1-1") is restrictively funded by grants, contracts and/or revenue generated through the efforts or assets of the program as follows:

Statewide Information Referral and Crisis Intervention Services - Funded through:

- State of Connecticut Department of Social Services ("DSS") as administrator of 2-1-1, HUSKY Infoline, Child Care Infoline, and Child Care Assistance Program
- Department of Public Health ("DPH") as administrator of the Maternal Child Health Grant
- Department of Developmental Services ("DDS") as administrator of Birth to Three Program
- Children's Trust Fund Council as administrator of Help Me Grow Program
- Local United Ways and other community service organizations

Corporate Child Care - Funded through a contractual fee arrangement with national vendors

Elderly Information and Referral Service - Funded through the North Central Connecticut Area Agency on Aging

United Way Services - Funded through local United Ways and various grants

Community Results Center - Funded through various contracts and grants

**UNITED WAY OF CONNECTICUT, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 1 - Organization and summary of significant accounting policies
(continued):**

Principles of consolidation:

United Way of Connecticut, Inc. is affiliated with Connecticut Policy and Economic Council, Inc. ("CPEC"). United Way of Connecticut, Inc. is the sole member of CPEC and the Board of Directors of United Way of Connecticut, Inc. serves as the Board of Directors of CPEC.

As of January 1, 2006, all programs of CPEC were transferred to the Community Results Center Department of United Way of Connecticut, Inc., however, CPEC continued to function as a separate entity through June 30, 2008. Significant intercompany accounts and transactions have been eliminated in consolidation.

United Way of Connecticut, Inc. and CPEC are referred to collectively as the Organization.

Basis of presentation:

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The consolidated financial statements report information regarding the Organization's consolidated financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. They are described as follows:

Unrestricted net assets are not subject to explicit donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily restricted net assets are subject to explicit donor-imposed stipulations that can be fulfilled by actions of the Organization or that expire by the passage of time. When a restriction expires (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 statement of activities as net assets released from restrictions.

Permanently restricted net assets are subject to explicit donor-imposed stipulations that they be maintained permanently by the Organization and stipulate the use of income and/or appreciation as either unrestricted or temporarily restricted.

At June 30, 2008 and 2007, there were no temporarily or permanently restricted net assets.

**UNITED WAY OF CONNECTICUT, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 1 - Organization and summary of significant accounting policies
(continued):**

Tax exempt status:

The Organization is organized as a nonprofit corporation under Section 501(c)(3) of the Internal Revenue Code and, as such, is not subject to Federal, state and local income taxes. However, income from certain activities not directly related to the tax-exempt purpose is subject to taxation as unrelated business income. There was no provision for Federal or state income taxes for the years ended June 30, 2008 and 2007.

Grants from foundations and government and deferred revenue:

The Organization receives various grants, principally from governmental agencies. These grants are generally on a cost reimbursement basis, including recoverable overhead. Revenues from grants are deemed earned and recognized in the consolidated statements of activities when expenditures are made for the purpose specified. Revenues are deferred if the Organization has received grants, but the funds have not yet been expended for the purpose specified. Receipts of grant awards in advance, which are payable back to the funding agency if not used, are classified as refundable advances in the accompanying statements of financial position.

Cash and cash equivalents:

For purposes of the statements of cash flows, the Organization considers all unrestricted, highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents. Cash equivalents as of June 30, 2008 and 2007 were \$0 and \$397,704, respectively.

Certain bank accounts have been established according to the Department of Social Services grant/program requirements. Restricted cash as of June 30, 2008 and 2007 was \$46,982 and \$131,017, respectively and is included in cash and cash equivalents in the consolidated statements of financial position.

Office furniture and equipment:

The Organization capitalizes all expenditures (other than those purchased with funds received from state funding agencies) for office furniture and equipment that are in excess of \$2,500 and that have a useful life of greater than one year. Purchased office furniture and equipment are carried at cost. Donated office furniture and equipment are carried at the approximate fair value at the date of donation. A majority of office furniture and equipment is depreciated using the straight-line method over estimated useful lives of three to seven years. There are some fixed assets depreciated using the double-declining balance method.

Expenditures for repairs and maintenance are charged to expense as incurred. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the consolidated statements of activities for the period.

**UNITED WAY OF CONNECTICUT, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 1 - Organization and summary of significant accounting policies
(concluded):**

Office furniture and equipment (concluded):

Capital assets purchased with funds received from all state funding agencies are expensed in the year acquired and are charged to the program benefited. Title to the equipment remains with the funding agency and the capital assets revert to that agency at the termination of the program.

The amount of equipment purchased and expensed was \$73,284 and \$0 for the years ended June 30, 2008 and 2007, respectively.

Use of estimates:

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional expenses:

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

Advertising costs:

Advertising costs are expensed as incurred and included in functional expenses. For the year ended June 30, 2008, total advertising expense was \$27,375. For the year ended June 30, 2007, total advertising expense was \$33,843, of which \$6,686 is included in contract services in the consolidated statements of functional expenses.

Note 2 - Line of credit:

The Organization has a \$2,000,000 revolving line of credit from a bank which will mature on January 31, 2009. Available funds as of June 30, 2008 and 2007 were \$2,000,000 and \$1,000,000, respectively. The loan is secured by a perfected security interest on all the business assets. Interest is payable monthly on any advances outstanding at a variable rate equal to the bank's "Prime Rate" (5% at June 30, 2008) plus 0.50%. Any unpaid balances must be paid in full on the maturity date. Interest expense for the years ended June 30, 2008 and 2007, was \$15,391 and \$4,411, respectively.

**UNITED WAY OF CONNECTICUT, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Note 3 - Pension plan:

The Organization maintains a defined contribution pension plan covering all employees of the Organization with six months of service, who have attained the age of twenty-one. The Organization's contribution to the plan was at the rate of 8% of eligible payroll for the plan year. For the years ended June 30, 2008 and 2007, pension plan contribution expense totaled \$519,448 and \$597,237, respectively.

Note 4 - Operating leases:

The Organization leases office space in various locations, which expire at various times through December 2012. The Organization is responsible for property taxes, insurance and maintenance. The Organization also leases various office and transportation equipment, which expire at various times through May 2012. The Organization is responsible for all insurance and maintenance.

The future minimum lease payments due under the noncancelable leases in each of the five years subsequent to June 30, 2008 are as follows:

<u>Year Ended June 30,</u>	
2009	\$ 821,300
2010	713,455
2011	609,872
2012	582,154
2013	271,065
	<u>\$ 2,997,846</u>

Total rental expense for all operating leases for the years ended June 30, 2008 and 2007 was \$873,576 and \$879,675, respectively.

Note 5 - Concentrations of credit risk:

Financial instruments which potentially subject the Organization to concentrations of credit risk consist primarily of cash, cash equivalents, and receivables. The Organization maintains its cash and cash equivalents with high-credit quality financial institutions. At times, such amounts may exceed Federally insured limits.

Contributions receivable are limited to contributions from various foundations, businesses and individuals. Management does not believe any credit risk exists and therefore, no allowance for doubtful accounts has been recorded.

Approximately 83% and 78% of the Organization's funding is provided by grants from the State of Connecticut Department of Social Services, for the years ended June 30, 2008 and 2007, respectively.

**UNITED WAY OF CONNECTICUT, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Note 6 - Contingency:

The Organization has one case pending with the State of Connecticut, Commission on Human Rights and Opportunities ("CHRO"). The Organization has responded to this charge, denying all allegations of the charge.

The Organization is unable to determine what, if any, liability it will face from this claim. Therefore, no adjustments have been made to the consolidated financial statements for any liability which may be due to this claim

Note 7 - Net asset restatement:

During 2007, the Organization discovered an error made in prior periods. A vacation accrual was not recorded in the consolidated financial statements as of June 30, 2006 in accordance with accounting principles generally accepted in the United States of America. The effect of this restatement on net assets as of June 30, 2006, was to decrease unrestricted net assets and increase accounts payable and accrued expenses by \$224,766.

UNITED WAY OF CONNECTICUT, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2008

ASSETS

	<u>United Way of Connecticut, Inc.</u>	<u>Community Policy and Economic Council, Inc.</u>	<u>Consolidated Total</u>
Current assets:			
Cash and cash equivalents	\$ 2,800,657	\$ 412,617	\$ 3,213,274
Prepaid expenses	13,903	-	13,903
Contracts receivable	281,464	-	281,464
Local United Way receivables	54,336	-	54,336
Other receivables	60,882	-	60,882
Total current assets	<u>3,211,242</u>	<u>412,617</u>	<u>3,623,859</u>
Office furniture and equipment, at cost	2,521,327	161,393	2,682,720
Less accumulated depreciation	<u>(2,230,335)</u>	<u>(158,067)</u>	<u>(2,388,402)</u>
Total office furniture and equipment	<u>290,992</u>	<u>3,326</u>	<u>294,318</u>
Totals	<u>\$ 3,502,234</u>	<u>\$ 415,943</u>	<u>\$ 3,918,177</u>

LIABILITIES AND NET ASSETS

Current liabilities:			
Accounts payable and accrued expenses	\$ 889,624	\$ 911	\$ 890,535
Refundable advances	1,422,142	-	1,422,142
Deferred revenue	76,749	-	76,749
Total current liabilities	<u>2,388,515</u>	<u>911</u>	<u>2,389,426</u>
Contingency			
Unrestricted net assets	<u>1,113,719</u>	<u>415,032</u>	<u>1,528,751</u>
Totals	<u>\$ 3,502,234</u>	<u>\$ 415,943</u>	<u>\$ 3,918,177</u>

See Report of Independent Public Accountants.

UNITED WAY OF CONNECTICUT, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2008

	<u>United Way of Connecticut, Inc.</u>	<u>Community Policy and Economic Council, Inc.</u>	<u>Consolidated Total</u>
Changes in unrestricted net assets:			
Revenues, gains and other support:			
Governmental grants and contracts	\$ 13,364,696	\$ -	\$ 13,364,696
Local United Way revenue	644,714	-	644,714
Grants and contracts, other	177,212	-	177,212
Miscellaneous	52,349	-	52,349
Interest income	51,582	7,236	58,818
Directory sales	1,728	103	1,831
Database income	2,332	-	2,332
Total revenues, gains and other support	<u>14,294,613</u>	<u>7,339</u>	<u>14,301,952</u>
Expenses:			
Program services:			
2-1-1 Health and Human Services	5,653,945	-	5,653,945
Care 4 Kids	6,243,392	-	6,243,392
Community Results Center	294,037	29,041	323,078
Other Programs	90,682	-	90,682
Total program expenses	<u>12,282,056</u>	<u>29,041</u>	<u>12,311,097</u>
Support services:			
Management and general	2,472,396	-	2,472,396
Total expenses	<u>14,754,452</u>	<u>29,041</u>	<u>14,783,493</u>
Change in net assets	<u>(459,839)</u>	<u>(21,702)</u>	<u>(481,541)</u>
Net assets, beginning of year	1,573,558	436,734	2,010,292
Net assets, end of year	<u>\$ 1,113,719</u>	<u>\$ 415,032</u>	<u>\$ 1,528,751</u>

See Report of Independent Public Accountants.

UNITED WAY OF CONNECTICUT, INC. AND SUBSIDIARY

**CONSOLIDATING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2008**

	<u>United Way of Connecticut, Inc.</u>	<u>Community Policy and Economic Council, Inc.</u>	<u>Consolidated Total</u>
Operating activities:			
Change in unrestricted net assets	\$ (459,839)	\$ (21,702)	\$ (481,541)
Adjustments to reconcile change in unrestricted net assets to net cash provided by (used in) operating activities:			
Depreciation	393,533	19,585	413,118
Changes in operating assets and liabilities:			
Prepaid expenses	10,111	-	10,111
Grants receivable	-	-	-
Contracts receivable	(178,445)	-	(178,445)
Local United Way receivables	(30,304)	-	(30,304)
Other receivables	22,714	-	22,714
Accounts payable and accrued expenses	409,266	(109,089)	300,177
Refundable advances	237,659	-	237,659
Deferred revenue	21,202	-	21,202
Net cash provided by (used in) operating activity	<u>425,897</u>	<u>(111,206)</u>	<u>314,691</u>
Increase (decrease) in cash and cash equivalents	425,897	(111,206)	314,691
Cash and cash equivalents, beginning of year	<u>2,374,760</u>	<u>523,823</u>	<u>2,898,583</u>
Cash and cash equivalents, end of year	<u>\$ 2,800,657</u>	<u>\$ 412,617</u>	<u>\$ 3,213,274</u>
Supplemental disclosure of cash flow data:			
Interest paid	<u>\$ 15,391</u>	<u>\$ -</u>	<u>\$ 15,391</u>

See Report of Independent Public Accountants.