

United Way of Connecticut, Inc. and Subsidiary

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

Years Ended June 30, 2010 and 2009

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, 2010 and 2009, 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, 2010 and 2009, and the consolidated changes in its 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 December 14, 2010, on our consideration of the United Way of Connecticut, Inc.'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 should be considered in assessing the results of our audit.

Our audit was conducted 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 2010 basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 2010 basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the 2010 basic consolidated financial statements taken as a whole.

As discussed in Note 7, the Organization restated its financial statements as of and for the year ended June 30, 2009.

 J.H. Cohn LLP

Glastonbury, Connecticut
December 14, 2010

UNITED WAY OF CONNECTICUT, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2010 AND 2009

ASSETS

	<u>2010</u>	<u>2009</u>
Current assets:		(Restated)
Cash	\$ 3,949,431	\$ 3,990,864
Prepaid expenses	67,842	238,027
Contracts receivable	211,216	18,454
Local United Way receivables	9,670	41,951
Other receivables	31,310	20,425
Total current assets	<u>4,269,469</u>	<u>4,309,721</u>
Office furniture and equipment, at cost	2,694,384	2,682,720
Less accumulated depreciation	<u>(2,684,664)</u>	<u>(2,620,329)</u>
Total office furniture and equipment	<u>9,720</u>	<u>62,391</u>
 Total assets	 <u><u>\$ 4,279,189</u></u>	 <u><u>\$ 4,372,112</u></u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable and accrued expenses	\$ 1,211,718	\$ 1,312,261
Refundable advances	1,593,352	1,612,542
Deferred revenue	49,858	85,290
Total current liabilities	<u>2,854,928</u>	<u>3,010,093</u>
 Commitments and contingencies		
 Unrestricted net assets	 <u>1,424,261</u>	 <u>1,362,019</u>
 Total liabilities and net assets	 <u><u>\$ 4,279,189</u></u>	 <u><u>\$ 4,372,112</u></u>

See Notes to Consolidated Financial Statements.

UNITED WAY OF CONNECTICUT, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Change in unrestricted net assets:		(Restated)
Revenues, gains and other support:		
Governmental grants and contracts	\$ 13,708,635	\$ 14,036,526
Local United Way revenue	598,502	632,647
Grants and contracts, other	227,062	223,645
Miscellaneous	43,887	171,588
Interest income	2,239	26,044
Database income	-	500
Total revenues, gains and other support	<u>14,580,325</u>	<u>15,090,950</u>
Expenses:		
Program services:		
2-1-1 Health and Human Services	5,275,645	5,688,255
Care 4 Kids	6,225,684	6,440,550
Community Results Center	150,239	142,642
Other programs	554,858	315,769
Total program services	<u>12,206,426</u>	<u>12,587,216</u>
Support services:		
Management and general	2,311,657	2,533,844
Total expenses	<u>14,518,083</u>	<u>15,121,060</u>
Change in net assets	<u>62,242</u>	<u>(30,110)</u>
Net assets, beginning of year, as previously reported	1,362,019	1,528,751
Prior period adjustment	-	(136,622)
Net assets, beginning of year, as restated	<u>1,362,019</u>	<u>1,392,129</u>
Net assets, end of year, restated	<u>\$ 1,424,261</u>	<u>\$ 1,362,019</u>

See Notes to Consolidated Financial Statements.

UNITED WAY OF CONNECTICUT, INC. AND SUBSIDIARY

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2010 (WITH COMPARATIVE TOTALS FOR 2009)**

	Program Services				Total	Support Services	2010 Total	2009 Total (Restated)
	2-1-1 Health and Human Services	Care 4 Kids	Community Results Center	Other Programs		Management and General		
Salaries	\$ 3,014,019	\$ 3,751,257	\$ 74,781	\$ 137	\$ 6,840,194	\$ 1,201,467	\$ 8,041,661	\$ 8,404,770
Health, pension and benefits	853,246	1,118,655	26,007	176	1,998,084	253,075	2,251,159	2,252,777
Payroll taxes	223,412	272,777	6,098	3	502,290	83,168	585,458	625,415
Total personnel expenses	4,090,677	5,142,689	106,886	316	9,340,568	1,537,710	10,878,278	11,282,962
Contract services	384,777	31,279	15,819	543,983	975,858	489,182	1,465,040	1,150,805
Occupancy	283,202	354,961	7,415	1,247	646,825	113,613	760,438	851,008
Depreciation	24,065	29,417	1,227	103	54,812	9,522	64,334	231,927
Postage	36,102	255,902	227	232	292,463	1,194	293,657	321,606
Telephone	109,912	55,422	904	129	166,367	29,222	195,589	218,652
Office supplies and program materials	214,419	234,446	5,353	854	455,072	57,606	512,678	687,583
Printing and copying	41,049	70,983	2,423	6,684	121,139	6,376	127,515	116,083
Miscellaneous	24,902	10,242	2,028	878	38,050	6,683	44,733	51,112
Staff training and development	42,734	18,044	6,136	8	66,922	17,952	84,874	89,890
Insurance	9,832	12,353	258	43	22,486	38,054	60,540	64,636
Travel	10,330	8,653	1,553	45	20,581	3,615	24,196	46,753
Advertising	3,644	1,293	10	336	5,283	928	6,211	8,043
Total expenses	<u>\$ 5,275,645</u>	<u>\$ 6,225,684</u>	<u>\$ 150,239</u>	<u>\$ 554,858</u>	<u>\$ 12,206,426</u>	<u>\$ 2,311,657</u>	<u>\$ 14,518,083</u>	<u>\$ 15,121,060</u>

See Notes to Consolidated Financial Statements.

UNITED WAY OF CONNECTICUT, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2009

	Program Services				Support Services		2009 Total (Restated)
	2-1-1 Health and Human Services	Care 4 Kids	Community Results Center	Other Programs	Total	Management and General	
Salaries	\$ 3,244,007	\$ 3,789,778	\$ 73,790	\$ 3,188	\$ 7,110,763	\$ 1,294,007	\$ 8,404,770
Health, pension and benefits	896,556	1,070,019	24,055	888	1,991,518	261,259	2,252,777
Payroll taxes	243,504	281,587	6,071	239	531,401	94,014	625,415
Total personnel expenses	4,384,067	5,141,384	103,916	4,315	9,633,682	1,649,280	11,282,962
Contract services	303,773	43,047	9,675	278,674	635,169	515,636	1,150,805
Occupancy	328,519	381,783	7,912	1,772	719,986	131,022	851,008
Depreciation	88,857	102,753	4,944	85	196,639	35,288	231,927
Postage	61,274	254,836	96	447	316,653	4,953	321,606
Telephone	118,603	62,712	3,512	161	184,988	33,664	218,652
Office supplies and program materials	242,640	350,880	6,609	16,547	616,676	70,907	687,583
Printing and copying	52,237	52,310	542	5,190	110,279	5,804	116,083
Miscellaneous	25,227	9,052	1,924	7,064	43,267	7,845	51,112
Staff training and development	43,274	16,661	1,354	496	61,785	28,105	89,890
Insurance	9,661	11,809	207	55	21,732	42,904	64,636
Travel	26,203	11,108	1,930	314	39,555	7,198	46,753
Advertising	3,920	2,215	21	649	6,805	1,238	8,043
Total expenses	\$ 5,688,255	\$ 6,440,550	\$ 142,642	\$ 315,769	\$ 12,587,216	\$ 2,533,844	\$ 15,121,060

See Notes to Consolidated Financial Statements.

UNITED WAY OF CONNECTICUT, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2010 AND 2009

	2010	2009 (Restated)
Operating activities:		
Change in net assets	\$ 62,242	\$ (30,110)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	64,334	231,927
Changes in operating assets and liabilities:		
Prepaid expenses	170,185	(224,124)
Contracts receivable	(192,762)	263,010
Local United Way receivables	32,281	12,385
Other receivables	(10,885)	40,457
Accounts payable and accrued expenses	(100,543)	285,104
Refundable advances	(19,190)	190,400
Deferred revenue	(35,432)	8,541
Net cash (used in) provided by operating activities	(29,770)	777,590
Investing activity - purchase of office furniture and equipment	(11,663)	-
(Decrease) increase in cash	(41,433)	777,590
Cash, beginning of year	3,990,864	3,213,274
Cash, end of year	\$ 3,949,431	\$ 3,990,864
Supplemental disclosure of cash flow data:		
Interest paid	\$ -	\$ 2,326

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. facilitates the sharing of skills, information and other resources among the 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 and decision-making.

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 Service Program - Funded through:

- State of Connecticut Department of Social Services ("DSS") as administrator of 2-1-1, HUSKY Infoline, Homelessness Prevention and Rapid Rehousing Program, Help Me Grow, Child Care Infoline and Child Care Assistance Program
- Department of Public Health ("DPH") as administrator of the Maternal Child Health Grant and First Time Motherhood program
- Department of Developmental Services ("DDS") as administrator of Birth to Three Program
- Local United Ways and other community service organizations
- Department of Children and Families ("DCF") as administrator of Emergency Mobile Psychiatric Services program
- The Connecticut Association for Human Services ("CAHS") as administrator of Financial Literacy Initiative program

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

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 has continued to function as a separate entity. 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 either explicit donor-imposed stipulations or by operation of law 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 consolidated 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 based on donor-imposed stipulations or by operation of law.

At June 30, 2010 and 2009, 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 status:

The Organization is exempt from Federal income taxes under the provisions of the Internal Revenue Code 501(c)(3) and therefore, has made no provisions for Federal or state income taxes in the accompanying consolidated financial statements.

The Organization adopted the new accounting for uncertainty in income taxes guidance on July 1, 2009. The adoption of that guidance did not result in the recognition of any unrecognized tax benefits and the Organization has no unrecognized tax benefits at June 30, 2010. The Company's U.S. Federal and state income tax returns prior to fiscal year 2007 are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

If the Organization has unrelated business income taxes, it will recognize interest and penalties associated with any tax matters as part of the income tax provision and include accrued interest and penalties with the related tax liability in the consolidated statement of financial position.

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 consolidated statements of financial position.

Contributions:

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (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 consolidated statement of activities as net assets released from restrictions.

UNITED WAY OF CONNECTICUT, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Cash and cash equivalents:

For purposes of the consolidated 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. There were no cash equivalents held by the Organization as of June 30, 2010 and 2009.

Restricted cash:

Certain bank accounts have been established according to the DSS grant/program requirements. Restricted cash as of June 30, 2010 and 2009 was \$9,634 and \$474,039, respectively, and is included in cash in the consolidated statements of financial position.

Grant funds, related to a specific program, are required to be in separate interest bearing accounts. These cash balances at June 30, 2010 and 2009 were \$71,902 and \$244,131, respectively.

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 \$5,000 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 is some office furniture and equipment 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.

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 with state funds was \$121,934 and \$194,127 for the years ended June 30, 2010 and 2009, respectively.

Use of estimates:

The preparation of the consolidated 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.

UNITED WAY OF CONNECTICUT, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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.

Reclassification:

Certain prior year financial information has been reclassified to conform to the current year presentation.

Subsequent events:

The Organization has evaluated events and transactions for potential recognition or disclosure through December 14, 2010, which is the date the consolidated financial statements were available to be issued.

Note 2 - Concentrations of credit risk:

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

Contracts and other receivables 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 79% and 82% of the Organization's funding was provided by grants from the State of Connecticut Department of Social Services for the years ended June 30, 2010 and 2009, respectively.

Note 3 - Line of credit:

The Organization has a \$2,000,000 revolving line of credit from a bank which will expire on January 31, 2011. Available funds as of June 30, 2010 and 2009 were \$2,000,000. The line of credit is secured by a 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" (3.25% at June 30, 2010) plus 0.50%. Any unpaid balances must be paid in full on the expiration date. Interest expense for the years ended June 30, 2010 and 2009 was \$0 and \$2,326, respectively, which is included in contract services in the accompanying consolidated statements of functional expenses. There was no outstanding balance as of June 30, 2010 and 2009.

Note 4 - 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, 2010 and 2009, pension plan contribution expense totaled \$609,597 and \$632,746, respectively.

UNITED WAY OF CONNECTICUT, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 5 - Operating leases:

The Organization leases office and storage space in various locations, which expire at various times through February 2017. The Organization is responsible for property taxes, insurance and maintenance. The Organization also leases various office 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 years subsequent to June 30, 2010 are as follows:

<u>Year Ending June 30,</u>	
2011	\$ 643,125
2012	640,895
2013	638,447
2014	648,065
2015	657,682
Thereafter	<u>1,090,835</u>
	<u>\$ 4,319,049</u>

Total rental expense for all operating leases for the years ended June 30, 2010 and 2009 was \$760,438 and \$851,008, respectively.

Note 6 - Contingency:

Litigation:

From time to time, the Organization is a defendant in actions arising in the ordinary course of business. In the opinion of management, such litigation will not have a material effect on the Organization's consolidated financial condition or results of operations.

UNITED WAY OF CONNECTICUT, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 7 - Prior period adjustment:

During 2010, it was determined that an accrued expense of \$136,622 was not recorded in a prior year. Accordingly, the Organization restated its results for the affected years. The effect of the restatement was to decrease the change in net assets by \$12,780 for the year ended June 30, 2009. In addition, unrestricted net assets at the beginning of 2009 were decreased by \$136,622 for the effects of the restatement. Restatement of June 30, 2009 balances are as follows:

Account	As Originally Reported	Adjustment	As Restated
Statement of financial position:			
Accounts payable and accrued expenses	\$ 1,188,419	\$ 123,842	\$1,312,261
Total current liabilities	2,886,251	123,842	3,010,093
Unrestricted net assets	1,485,861	(123,842)	1,362,019
Total liabilities and net assets	4,372,112	-	4,372,112
Statement of activities:			
Community Results Center	155,422	(12,780)	142,642
Total program services	12,599,996	(12,780)	12,587,216
Total expenses	15,133,840	(12,780)	15,121,060
Change in net assets	(42,890)	12,780	(30,110)
Statement of functional expenses:			
Health, pension and benefits	2,265,557	(12,780)	2,252,777
Total personnel expenses	11,295,742	(12,780)	11,282,962
Total expenses	15,133,840	(12,780)	15,121,060

UNITED WAY OF CONNECTICUT, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2010

ASSETS

	United Way of Connecticut, Inc.	Connecticut Policy and Economic Council, Inc.	Consolidated Total
Current assets:			
Cash	\$ 3,549,920	\$ 399,511	\$ 3,949,431
Prepaid expenses	67,842	-	67,842
Contracts receivable	211,216	-	211,216
Local United Way receivables	9,670	-	9,670
Other receivables	31,310	-	31,310
Total current assets	<u>3,869,958</u>	<u>399,511</u>	<u>4,269,469</u>
Office furniture and equipment, at cost	2,532,991	161,393	2,694,384
Less accumulated depreciation	<u>(2,523,271)</u>	<u>(161,393)</u>	<u>(2,684,664)</u>
Total office furniture and equipment	<u>9,720</u>	<u>-</u>	<u>9,720</u>
 Total assets	 <u>\$ 3,879,678</u>	 <u>\$ 399,511</u>	 <u>\$ 4,279,189</u>

LIABILITIES AND NET ASSETS

Current liabilities:			
Accounts payable and accrued expenses	\$ 1,084,113	\$ 127,605	\$ 1,211,718
Refundable advances	1,593,352	-	1,593,352
Deferred revenue	49,858	-	49,858
Total current liabilities	<u>2,727,323</u>	<u>127,605</u>	<u>2,854,928</u>
Unrestricted net assets	<u>1,152,355</u>	<u>271,906</u>	<u>1,424,261</u>
 Total liabilities and net assets	 <u>\$ 3,879,678</u>	 <u>\$ 399,511</u>	 <u>\$ 4,279,189</u>

See Report of Independent Public Accountants.

UNITED WAY OF CONNECTICUT, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010

	United Way of Connecticut, Inc.	Connecticut Policy and Economic Council, Inc.	Consolidated Total
Change in unrestricted net assets:			
Revenues, gains and other support:			
Governmental grants and contracts	\$ 13,708,635	\$ -	\$ 13,708,635
Local United Way revenue	598,502	-	598,502
Grants and contracts, other	227,062	-	227,062
Miscellaneous	43,515	372	43,887
Interest income	1,265	974	2,239
Total revenues, gains and other support	<u>14,578,979</u>	<u>1,346</u>	<u>14,580,325</u>
Expenses:			
Program services:			
2-1-1 Health and Human Services	5,275,645	-	5,275,645
Care 4 Kids	6,225,684	-	6,225,684
Community Results Center	143,278	6,961	150,239
Other programs	554,858	-	554,858
Total program services	<u>12,199,465</u>	<u>6,961</u>	<u>12,206,426</u>
Support services:			
Management and general	2,311,657	-	2,311,657
Total expenses	<u>14,511,122</u>	<u>6,961</u>	<u>14,518,083</u>
Change in net assets	67,857	(5,615)	62,242
Net assets, beginning of year	1,084,498	277,521	1,362,019
Net assets, end of year	<u>\$ 1,152,355</u>	<u>\$ 271,906</u>	<u>\$ 1,424,261</u>

See Report of Independent Public Accountants.

UNITED WAY OF CONNECTICUT, INC. AND SUBSIDIARY

**CONSOLIDATING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2010**

	<u>United Way of Connecticut, Inc.</u>	<u>Connecticut Policy and Economic Council, Inc.</u>	<u>Consolidated Total</u>
Operating activities:			
Change in net assets	\$ 67,857	\$ (5,615)	\$ 62,242
Adjustments to reconcile change in net assets to net cash used in operating activities:			
Depreciation	63,735	599	64,334
Changes in operating assets and liabilities:			
Prepaid expenses	170,185	-	170,185
Contracts receivable	(192,762)	-	(192,762)
Local United Way receivables	32,281	-	32,281
Other receivables	(10,885)	-	(10,885)
Accounts payable and accrued expenses	(104,306)	3,763	(100,543)
Refundable advances	(19,190)	-	(19,190)
Deferred revenue	(35,432)	-	(35,432)
Net cash used in operating activities	<u>(28,517)</u>	<u>(1,253)</u>	<u>(29,770)</u>
Investing activity - purchase of office furniture and equipment	<u>(11,663)</u>	<u>-</u>	<u>(11,663)</u>
Decrease in cash	(40,180)	(1,253)	(41,433)
Cash, beginning of year	<u>3,590,100</u>	<u>400,764</u>	<u>3,990,864</u>
Cash, end of year	<u>\$ 3,549,920</u>	<u>\$ 399,511</u>	<u>\$ 3,949,431</u>

See Report of Independent Public Accountants.