

**UNITED WAY OF THE GREATER CAPITAL REGION, INC.,
CAPITAL REGION COMBINED FEDERAL CAMPAIGN AND
STATE EMPLOYEES FEDERATED APPEAL**

**Combined Financial Statements as of
June 30, 2014
Together with
Independent Auditor's Report**

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

December 2, 2014

To the Board of Directors of
United Way of the Greater Capital Region, Inc., Capital Region Combined
Federal Campaign and State Employees Federated Appeal:

Report on the Financial Statements

We have audited the accompanying combined financial statements of United Way of the Greater Capital Region, Inc. (a New York State not-for-profit corporation), Capital Region Combined Federal Campaign and State Employees Federated Appeal (collectively referred to as the Organization), which comprise the combined statement of financial position as of June 30, 2014, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined financial statements.

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

(Continued)

INDEPENDENT AUDITOR'S REPORT

(Continued)

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of United Way of the Greater Capital Region, Inc., Capital Region Combined Federal Campaign and State Employees Federated Appeal as of June 30, 2014, and the changes in their net assets and their 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 the United Way of the Greater Capital Region, Inc., Capital Region Combined Federal Campaign and State Employees Federated Appeal's 2013 combined financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated January 21, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013, is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

Report on Combining Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements of United Way of the Greater Capital Region, Inc., Capital Region Combined Federal Campaign and State Employees Federated Appeal as a whole. The combining information presented in Schedules I and II is presented for the purposes of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

The 2013 supplementary information is presented for purposes of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2013 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of those combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2013 supplementary information is fairly stated in all material respects in relation to the combined financial statements from which it has been derived.

**UNITED WAY OF THE GREATER CAPITAL REGION, INC.,
CAPITAL REGION COMBINED FEDERAL CAMPAIGN AND
STATE EMPLOYEES FEDERATED APPEAL**

**COMBINED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2014**

(With Comparative Totals for 2013)

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and cash equivalents	\$ 1,520,112	\$ 1,391,131
Investments	3,510,395	3,098,406
Pledges receivable, net of allowance for uncollectible pledges	2,262,020	2,682,324
Contributions receivable	715,652	30,000
Other receivables	88,685	37,850
Prepaid expenses	45,044	28,883
Property and equipment, net	349,118	395,426
Beneficial interest in perpetual trust	<u>484,080</u>	<u>451,277</u>
	<u>\$ 8,975,106</u>	<u>\$ 8,115,297</u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	\$ 139,082	\$ 124,533
Due to affiliated agencies	2,036,929	1,616,974
Due to designated agencies	1,734,332	2,029,493
Accrued pension cost	<u>77,145</u>	<u>327,169</u>
Total liabilities	<u>3,987,488</u>	<u>4,098,169</u>
NET ASSETS:		
Unrestricted -		
Undesignated	2,726,713	2,768,716
Board designated	<u>1,543,323</u>	<u>662,639</u>
Total unrestricted	4,270,036	3,431,355
Temporarily restricted	120,441	24,496
Permanently restricted	<u>597,141</u>	<u>561,277</u>
Total net assets	<u>4,987,618</u>	<u>4,017,128</u>
	<u>\$ 8,975,106</u>	<u>\$ 8,115,297</u>

The accompanying notes are an integral part of these statements.

**UNITED WAY OF THE GREATER CAPITAL REGION, INC.
CAPITAL REGION COMBINED FEDERAL CAMPAIGN AND
STATE EMPLOYEES FEDERATED APPEAL**

**COMBINED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014
(With Comparative Totals for 2013)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 2014</u>	<u>2013</u>
SUPPORT, REVENUE AND GAINS:					
Support					
Contributions received - United Way Campaign	\$ 6,084,653	\$ 1,102	\$ -	\$ 6,085,755	\$ 6,686,970
Less: Donor designations	(2,547,565)	-	-	(2,547,565)	(2,821,235)
Allowance for uncollectible pledges	(303,341)	-	-	(303,341)	(325,867)
Subtotal	3,233,747	1,102	-	3,234,849	3,539,868
Grants	217,378	110,400	-	327,778	191,365
Contributed goods and services	29,909	-	-	29,909	34,444
Legacies and bequests	906,296	-	-	906,296	33,412
Events	63,429	-	-	63,429	32,594
Net assets released from restrictions	15,557	(15,557)	-	-	-
Total support	<u>4,466,316</u>	<u>95,945</u>	<u>-</u>	<u>4,562,261</u>	<u>3,831,683</u>
Revenue and gains					
Federated campaign income	198,853	-	-	198,853	288,732
Donor designated service fees	52,331	-	-	52,331	59,098
Interest and dividends	53,053	-	-	53,053	47,358
Rental revenue	34,084	-	-	34,084	44,629
Gains on investments	257,584	-	-	257,584	39,896
Gains permanently restricted	-	-	35,864	35,864	6,534
Total revenue and gains	<u>595,905</u>	<u>-</u>	<u>35,864</u>	<u>631,769</u>	<u>486,247</u>
Total support, revenue, and gains	<u>5,062,221</u>	<u>95,945</u>	<u>35,864</u>	<u>5,194,030</u>	<u>4,317,930</u>
EXPENSES:					
Program services:					
Community building programs	2,807,218	-	-	2,807,218	2,461,794
SEFA and CFC	376,814	-	-	376,814	342,092
Total program services	<u>3,184,032</u>	<u>-</u>	<u>-</u>	<u>3,184,032</u>	<u>2,803,886</u>
Supporting services:					
Management and general	535,185	-	-	535,185	577,539
Fundraising	635,013	-	-	635,013	779,503
Total supporting services	<u>1,170,198</u>	<u>-</u>	<u>-</u>	<u>1,170,198</u>	<u>1,357,042</u>
Total expenses	<u>4,354,230</u>	<u>-</u>	<u>-</u>	<u>4,354,230</u>	<u>4,160,928</u>
CHANGE IN NET ASSETS BEFORE CHANGE IN PENSION COST	707,991	95,945	35,864	839,800	157,002
PENSION CHANGES OTHER THAN NET PERIODIC COSTS					
Pension related changes other than net periodic cost	130,690	-	-	130,690	(171,757)
CHANGE IN NET ASSETS	838,681	95,945	35,864	970,490	(14,755)
NET ASSETS - beginning of year,	<u>3,431,355</u>	<u>24,496</u>	<u>561,277</u>	<u>4,017,128</u>	<u>4,031,883</u>
NET ASSETS - end of year	<u>\$ 4,270,036</u>	<u>\$ 120,441</u>	<u>\$ 597,141</u>	<u>\$ 4,987,618</u>	<u>\$ 4,017,128</u>

The accompanying notes are an integral part of these statements.

**UNITED WAY OF THE GREATER CAPITAL REGION, INC.
CAPITAL REGION COMBINED FEDERAL CAMPAIGN AND
STATE EMPLOYEES FEDERATED APPEAL**

**COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014
(With Comparative Totals for 2013)**

	Community Building Programs	SEFA	Management and General	Fundraising	Total 2014	2013
Salaries	\$ 341,928	\$ 83,520	\$ 263,109	\$ 308,875	\$ 997,432	\$ 1,199,999
Retirement expenses	60,833	25,741	46,810	61,656	195,040	60,583
Employee benefits and payroll taxes	64,095	15,656	49,320	57,899	186,970	226,983
Temporary employees	2,451	599	1,886	2,214	7,150	14,723
Total salaries and related expenses	469,307	125,516	361,125	430,644	1,386,592	1,502,288
Community Care Fund allocations	1,819,206	-	-	-	1,819,206	1,607,675
Federated campaign expenses	-	221,389	-	-	221,389	214,693
Publicity and promotion	77,463	-	59,607	69,975	207,045	212,077
Distributions to agencies	159,879	-	-	-	159,879	159,082
Grants and technical assistance	117,055	-	-	-	117,055	22,091
Subscriptions and dues	29,877	-	22,990	26,989	79,856	86,425
Professional services and fees	28,034	-	21,572	25,324	74,930	62,917
Printing and supplies	26,057	-	20,050	23,538	69,645	54,871
Occupancy	20,692	-	15,922	18,692	55,306	52,976
Program expenses	15,532	-	-	-	15,532	16,409
Equipment expenses	17,326	-	13,332	15,651	46,309	47,210
Loaned executive expense	-	29,909	-	-	29,909	32,744
Telephone and postage	9,452	-	7,273	8,538	25,263	29,918
Travel and related costs	8,742	-	6,727	7,897	23,366	17,712
Insurance	4,037	-	3,106	3,647	10,790	10,601
Meetings and development	2,965	-	2,281	2,678	7,924	27,387
Miscellaneous	1,594	-	1,200	1,440	4,234	2,405
Interest	-	-	-	-	-	1,447
	<u>\$ 2,807,218</u>	<u>\$ 376,814</u>	<u>\$ 535,185</u>	<u>\$ 635,013</u>	<u>\$ 4,354,230</u>	<u>\$ 4,160,928</u>

The accompanying notes are an integral part of these statements.

**UNITED WAY OF THE GREATER CAPITAL REGION, INC.
CAPITAL REGION COMBINED FEDERAL CAMPAIGN AND
STATE EMPLOYEES FEDERATED APPEAL**

**COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014**
(With Comparative Totals for 2013)

	<u>2014</u>	<u>2013</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 970,490	\$ (14,755)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	46,308	47,210
Provision for bad debts	(8,000)	(83,011)
Gains on investments	(257,584)	(39,896)
Gains on permanently restricted	(35,864)	(6,534)
Change in accrued pension cost related to non-cash actuarial changes	130,690	171,757
Changes in:		
Pledges receivable	428,304	175,192
Contributions receivable	(685,652)	42,500
Other receivables	(50,835)	455
Prepaid expenses	(16,161)	(8,399)
Accounts payable and accrued expenses	14,549	(6,358)
Due to affiliated agencies	419,955	11,182
Due to designated agencies	(295,161)	(225,801)
Accrued pension cost	(380,714)	(71,808)
Net cash flow from operating activities	<u>280,325</u>	<u>(8,266)</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of investments	(565,625)	(177,506)
Proceeds from sales of investments	414,281	38,575
Purchases of property and equipment	-	(13,452)
Net cash flow from investing activities	<u>(151,344)</u>	<u>(152,383)</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Principal payments on note payable	-	(65,737)
Net cash flow from financing activities	<u>-</u>	<u>(65,737)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	128,981	(226,386)
CASH AND CASH EQUIVALENTS - beginning of year	<u>1,391,131</u>	<u>1,617,517</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 1,520,112</u>	<u>\$ 1,391,131</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for interest	<u>\$ -</u>	<u>\$ 1,447</u>

The accompanying notes are an integral part of these statements.

**UNITED WAY OF THE GREATER CAPITAL REGION, INC.,
CAPITAL REGION COMBINED FEDERAL CAMPAIGN AND
STATE EMPLOYEES FEDERATED APPEAL**

**NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2014**

1. ORGANIZATION AND HISTORY

United Way of the Greater Capital Region, Inc. (UWGCR), a New York not-for-profit corporation, provides services to individuals and corporations in the Capital Region. Our mission is to improve lives and advance the common good in the Capital Region by mobilizing the caring power of donors, volunteers, and community partners to give, volunteer, and advocate for people in need within our region.

Our vision is to be a recognized leader in the development and investment of philanthropic and volunteer resources in programs and initiatives that improve the quality of life for children, families, elders, and people in need. We will accomplish this by investing resources in programs that address needs in the area of early childhood education and health, income, and financial stability of low income families and individuals, and for the Basic Needs of our communities most vulnerable.

United Way of the Greater Capital Region, Inc. is a member of the United Way WorldWide. To maintain membership within this Organization, United Way of the Greater Capital Region, Inc. must make a membership investment to United Way WorldWide based on a percentage of annual contributions received. This membership fee paid to United Way WorldWide was \$57,031 and \$57,781 for the years ended June 30, 2014 and 2013, respectively.

UWGCR focuses on improving lives and community conditions across the Greater Capital Region. We do this by investing in programs and participating in initiatives that bring partners together around issues that require a collective response. Our work is based on the belief that together, united, we achieve far more than any single person or agency could alone.

During 2014, UWGCR issued grants to 130 local programs and special initiatives representing 58 agencies. More than 100,000 Greater Capital Region residents benefited from United Way-funded programs in 2013-2014.

UWGCR also helped mobilize more than 900 volunteers who contributed their time and expertise to community projects, organizational leadership and planning, fundraising and more.

EDUCATION

United Way invested in early childhood development programs, academic support for school-age children, employment training and skill building, adult literacy programs, parent support, school partnerships and more. Through our Bright Starts for Brilliant Futures initiative, UWGCR invested in three home visiting programs, two regional coalitions to improve early childhood success and positive educational outcomes, and made a concentrated effort to improve quality early childcare in Rensselaer County.

1. ORGANIZATION AND HISTORY (Continued)

INCOME

United Way invested in programs that help families gain financial stability through asset and debt management, programs helping the homeless achieve independence, and tax preparation and counsel for income-eligible families. Much of this work is accomplished through the CASH Coalition, a United Way-led partnership that helps low and moderate income families benefit from the Earned Income Tax Credit and other savings and learn financial management skills. United Way also supports programs that help people meet their basic needs by providing food, safe shelter and other critical assistance.

HEALTH

United Way invested in programs that address health related issues such as independent living, challenges facing older adults, persons with disabilities, and mental health.

BASIC NEEDS

United Way invested in safety net services that provide food, shelter, safety, people with physical and developmental disabilities, and safe places for children after school. United Way also invested in United Way 2-1-1 Northeast Region, a free and confidential telephone information and referral service that connects callers with community resources. Through our United Against Hunger Initiative, we invested with three local summer food service providers to serve 80,000 meals in neighborhoods with concentrations of poverty.

United Way also launched its Food Partnerships under United Against Hunger which will connect community-based organizations serving food insecure individuals with providers of affordable food and nutrition education.

CAPITAL REGION COMBINED FEDERAL CAMPAIGN (CFC) AND STATE EMPLOYEES FEDERATED APPEAL (SEFA)

Workplace fund-raising campaigns - UWGCR is responsible for developing, implementing, and evaluating fund-raising programs with respective volunteer committees for the 12 county area.

Capital Region Combined Federal Campaign (CFC)

Capital Region Combined Federal Campaign (CFC) originated in the early 1960's to bring the diversity of fund-raising efforts under one umbrella. Federal employees created "the campaign, once a year" to include only charities that have been approved by either the U.S. Office of Personnel Management (OPM) or the Local Federal Coordinating Committee (LFCC). The member agencies participating in CFC include United Way of the Greater Capital Region, Inc., Community Health Charities/New York State Committee, the National Agencies, the International Service Agencies, and approximately 580 other affiliated and unaffiliated agencies.

While OPM has been charged with the oversight of CFC, the actual decisions regarding the conduct of the campaign are made by LFCC within the provision and policies established by OPM. LFCC is composed of directors from the largest federal agencies in the Capital Region and representatives of labor unions with federal employees as members.

Through 2013, LFCC selected one of the voluntary organizations involved in CFC to manage the campaign and serve as fiscal agent. LFCC selected United Way of the Greater Capital Region, Inc. to serve in this capacity for the year ended June 30, 2013. Due to consolidations intended to reduce overhead costs, the United States Office of Personnel Management has made the decision to have the campaign managed by another voluntary organization thereafter.

1. ORGANIZATION AND HISTORY (Continued)

State Employees Federated Appeal (SEFA)

State Employees Federated Appeal (SEFA) is an annual fund-raising campaign that occurs during the fall season. The program was established to accommodate the wishes of New York State employees who wanted a single fund-raising campaign that would reduce multiple charitable solicitations. Participating federations in the campaign include United Way of the Greater Capital Region, Inc., Community Health Charities of New York, International Service Agencies, and Environmental Federation of New York to name a few. In addition to the aforementioned federations, over 400 independent agencies also participate in the campaign.

New York State regulations assign the responsibility of campaign oversight to the Capital Region SEFA Committee whose members include state employees and representatives of charitable agencies. Campaign administrative and fiscal management services are performed by personnel of United Way of the Greater Capital Region, Inc.

Principles of Combination

The amounts in the combined financial statements include the accounts of the United Way of the Greater Capital Region, Inc. (UWGCR), State Employees Federated Appeal (SEFA), and Capital Region Combined Federal Campaign (CFC). All significant intercompany balances and transactions have been eliminated in the combination. The financial statements have been combined because of common control and interrelated operating activities.

These organizations are hereafter referred to as “the Organization”.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying combined financial statements were prepared in conformity with accounting principles generally accepted in the United States of America. The significant accounting policies followed by United Way of the Greater Capital Region, Inc., Capital Region Combined Federal Campaign and State Employees Federal Appeal, are described below to enhance the usefulness of the combined financial statements.

Use of Estimates

Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the combined financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents includes bank demand deposit accounts, money market accounts and all highly liquid debt instruments purchased with a maturity of three months or less. The Organization’s cash balances may at times exceed federally insured limits. The Organization has not experienced any losses in these accounts and believes it is not exposed to any significant risk with respect to cash and cash equivalents.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

All investments in publicly traded debt securities, equity securities, and mutual funds are stated at fair value. Fair value is determined using quoted market prices. All realized and unrealized gains and losses are reported directly in the accompanying combined statement of activities.

The Organization utilized the net asset value (NAV) reported by the Organization's pension plan equity based mutual funds as a practical expedient for determining their fair value of the investment. These investments are redeemable at NAV on a daily basis with no prior notification period. The investments also have no unfunded commitments as of June 30, 2014 and 2013.

Marketable securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain marketable securities, it is at least reasonably possible that changes in the values of marketable securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying combined financial statements.

Pledges Receivable

The Organization provides an allowance for uncollectible pledges based upon collection history and a review of open accounts by management. Open accounts are written off after all collection efforts have been exhausted and the pledge is determined to be uncollectible. The allowance for uncollectible pledges was \$303,341 and \$325,867 as of June 30, 2014 and 2013, respectively.

Although management has reviewed the collection history while projecting the allowance, it is reasonably possible that actual uncollectible pledges may differ from the estimated allowance.

Contributions Receivable

The Organization has recorded contributions receivable of \$715,652 and \$30,000 as of June 30, 2014 and June 30, 2013, respectively, from estates in which they have been named beneficiary. The Organization expects to receive payment on these contributions during 2015.

Property and Equipment

Property and equipment are stated at cost, except for donated assets, which are recorded at their fair market value at the date of the gift. The Organization does not imply a time restriction, based on the assets' estimated useful lives, on donations of property and equipment that are restricted as to their use by the donor. Accordingly, those donations are recorded as support, increasing unrestricted net assets.

Expenditures for acquisitions, renewals, and betterments are capitalized, whereas maintenance and repair costs are expensed as incurred. When property and equipment are disposed of, the appropriate accounts are relieved of costs, and accumulated depreciation and any resultant gain or loss is reported as a change in net assets.

Depreciation is computed on a straight-line basis using the estimated useful lives (2 to 40 years) of the various assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-Lived Assets

The Organization assesses its long-lived assets for impairment when events or circumstances indicate their carrying amounts may not be recoverable. This is accomplished by comparing the expected undiscounted future cash flows of the long-lived assets with the respective carrying amount as of the date of assessment. If the expected undiscounted future cash flows exceed the respective carrying amount as of the date of assessment, the long-lived assets are considered not to be impaired. If the expected undiscounted future cash flows are less than the carrying value, an impairment loss is recognized and measured as the difference between the carrying value and the fair value of the long-lived assets. No impairment of long-lived assets was recognized in 2014 or 2013.

Due to Affiliated Agencies/Pledge Income

Contributions which are designated to a specific third-party beneficiary are recorded as a liability at the fair market value at the time the contribution is received, net of campaign costs and allowance for uncollectible pledges. All pledges received by CFC and SEFA are considered donor-designated. These pledges are passed directly to the designated recipients and are excluded from the Organizations' revenue and expenses, except for a small portion that is allocated to revenue to cover direct campaign costs.

Recognition of 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 received. 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, temporarily restricted net assets are reclassified to unrestricted net assets.

Financial Reporting

The Organization reports its activities and the related net assets using three net asset categories: unrestricted, temporarily restricted, and permanently restricted.

Unrestricted net assets are not restricted by donors or other outside agencies. The Board of Directors can authorize use of these assets, as it desires, to carry on the purposes of the Organization according to its bylaws. The Board of Directors has also designated that a portion of these monies be used to supplement program expenses.

Temporarily restricted net assets represent donor-imposed restrictions that permit the donee organization to use up or expend the donated assets as specified. This temporary restriction is satisfied by the passage of time or actions by the Organization.

Permanently restricted net assets represent donor-imposed restrictions that stipulate that resources be maintained permanently, but permit the Organization to use up or expend part or all of the income derived from the donated assets.

Permanently restricted net assets consist of a beneficial interest in a perpetual trust (see Note 7) as well as bequests that require investments in perpetuity.

Donated and Contributed Services

A number of "loaned executives" have donated 1,477 and 1,617 hours to the Organization's fund-raising campaigns during the years ended June 30, 2014 and 2013, respectively. The services donated require specialized skills and are reflected in the combined statement of activities at their fair value. For the years ended June 30, 2014 and 2013, the amount recognized was \$29,909 and \$34,444, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Statement of Functional Expenses

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

Advertising

The Organization expenses advertising costs as incurred. Advertising expense was \$207,045 and \$212,077 for the year ended June 30, 2014 and 2013, respectively.

Financial Instruments Measured at Fair Value

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and GAAP provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The valuation methodology used for the Organization's assets measured at fair value is to value the investments at quoted market prices on the last business day of the fiscal year.

Income Taxes

United Way of the Greater Capital Region, Inc., CFC, and SEFA are exempt from federal income tax as a not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code and have been classified as an entity that is not a private foundation.

For tax-exempt entities, their tax-exempt status itself is deemed to be an uncertainty, since events could potentially occur to jeopardize their tax-exempt status. As of June 30, 2014 and 2013, the Organization does not have a liability for unrecognized tax benefits. The Organization files income tax returns in the U.S. federal jurisdiction and New York State. The Organization is generally no longer subject to U.S. federal and state tax examinations by tax authorities for years before 2011.

Comparative Financial Information

The combined financial statements include certain prior-year summarized comparative information in total but not by net asset class and functional expense classification. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's combined financial statements for the year ended June 30, 2013, from which the summarized information was derived.

Reclassifications

Certain reclassifications have been made to the 2013 statements to conform to the current year presentation.

3. INVESTMENTS

A summary of investments as of June 30, 2014 and 2013 is as follows:

Investments are managed in accordance with an investment policy that was approved by the Board of Directors.

	<u>2014</u>	<u>2013</u>
Mutual funds- equities	\$ 991,627	\$ 858,956
Mutual funds- fixed income	<u>2,518,768</u>	<u>2,239,450</u>
	<u>\$ 3,510,395</u>	<u>\$ 3,098,406</u>

For the years ended June 30, 2014 and 2013, the investments earned interest and dividends of \$53,053 and \$47,358, respectively. There were no investment management fees incurred for the years ended June 30, 2014 and 2013.

4. FAIR VALUE MEASUREMENTS

The Organizations investments at fair value, within the fair value hierarchy, are as follows as of June 30:

<u>Description</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>	<u>Total</u>
<u>June 30, 2014:</u>				
Mutual funds- equities	\$ 991,627	\$ -	\$ -	\$ 991,627
Mutual funds- fixed income	2,518,768	-	-	2,518,768
Beneficial interest in perpetual trust	<u>-</u>	<u>484,080</u>	<u>-</u>	<u>484,080</u>
	<u>\$ 3,510,395</u>	<u>\$ 484,080</u>	<u>\$ -</u>	<u>\$ 3,994,475</u>
<u>June 30, 2013:</u>				
Mutual funds- equities	\$ 858,956	\$ -	\$ -	\$ 858,956
Mutual funds- fixed income	2,239,450	-	-	2,239,450
Beneficial interest in perpetual trust	<u>-</u>	<u>451,277</u>	<u>-</u>	<u>451,277</u>
	<u>\$ 3,098,406</u>	<u>\$ 451,277</u>	<u>\$ -</u>	<u>\$ 3,549,683</u>

5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30:

	<u>2014</u>	<u>2013</u>
Land	\$ 102,300	\$ 102,300
Building and building improvements	848,232	880,863
Office equipment	<u>199,045</u>	<u>264,625</u>
	1,149,577	1,247,788
Less: Accumulated depreciation	<u>(800,459)</u>	<u>(852,362)</u>
	<u>\$ 349,118</u>	<u>\$ 395,426</u>

Depreciation expense for the years ended June 30, 2014 and 2013 was \$46,308 and \$47,210, respectively.

6. TEMPORARILY RESTRICTED AND BOARD DESIGNATED NET ASSETS

Temporarily restricted net assets are available for the following purposes at June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Disaster relief	\$ 9,053	\$ 18,451
United in action	988	988
Hunger initiative	110,400	-
Born learning	<u>-</u>	<u>5,057</u>
	<u>\$ 120,441</u>	<u>\$ 24,496</u>

Unrestricted – Board designated net assets are available for the following purposes at June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Technical assistance	\$ -	\$ 26,750
Income initiative	-	25,000
Education initiative	-	24,193
ELAP	15,000	15,000
Impact Councils	-	15,000
Success by Six	-	6,700
Time Dollar	-	6,006
Funds functioning as endowment	<u>1,528,323</u>	<u>543,990</u>
	<u>\$ 1,543,323</u>	<u>\$ 662,639</u>

7. PERMANENTLY RESTRICTED NET ASSETS

Beneficial Interest in Perpetual Trusts

The Organization is the beneficiary of the Percy Waller Perpetual Charitable Trust (Trust). The Trust provides for annual distributions of eleven percent of the income earned on the Trust's assets. The donor has placed no restrictions as to the use of the distributions. The Trust is administered by an independent third-party trustee.

The value of the beneficial interest in perpetual trust is recorded at eleven percent of the fair market value of the Trust's assets. The Organization recognized a gain in the value of this Trust in the amount of \$35,864 and \$6,534 during the year ended June 30, 2014 and June 30, 2013, respectively.

Other Permanently Restricted Net Assets

The Organization is the beneficiary of two bequests from estates for which the donor restricted the funds to be held in perpetuity. There are no restrictions placed on the income derived from these funds. The total amounts reported as permanently restricted for these contributions are \$113,061 for both years ending June 30, 2014 and 2013.

8. EMPLOYER RETIREMENT PLANS

On January 1, 2009, the Organization established a 403(b) plan for its employees. Employer contributions to the Plan are determined annually by the Board of Directors. The Board of Directors approved a revision to the Plan, effective January 1, 2012, which includes an employer match of up to 4% of salary on employee contributions to the Plan. In addition, the Plan includes a service weighted automatic contribution of 3% of salary for employees with up to 10 years of service, and a 5% contribution for employees of over 10 years of service. A one year waiting period is required for participation in the match portion of the Plan. During the years ended June 30, 2014 and 2013, the employer contribution was \$51,723 and \$82,387 respectively.

The Organization also has a noncontributory, combination pension and welfare plan available to all employees 21 years of age or older, who have completed one year of service. This Plan is a defined benefit plan, which provides benefits that are generally based on years of service and final average salary. In November 2011, the Board of Directors approved a hard freeze of the Plan effective as of December 31, 2011. No new employees were allowed to enter this Plan after December 31, 2011. On December 18, 2013 the Board of Directors voted to terminate the plan over a two year period. Management has determined the expected liability for plan termination to not be materially different than the accrued pension costs recorded on the statement of financial position.

8. EMPLOYER RETIREMENT PLANS (Continued)

Information relative to the defined benefit plan for the years ended June 30, 2014 and 2013 is as follows:

	<u>2014</u>	<u>2013</u>
Change in benefit obligations:		
Benefit obligation at beginning of year	\$ 2,157,640	\$ 2,007,979
Service cost	6,544	6,253
Interest cost	86,086	74,056
Change due to assumption change(s)	42,359	141,121
Actuarial (gains) losses	(51,218)	(7,053)
Expense charges	(6,544)	(6,253)
Annuities purchased or benefits paid	<u>(966,546)</u>	<u>(58,463)</u>
Benefit obligation at end of year	<u>\$ 1,268,321</u>	<u>\$ 2,157,640</u>
Change in plan assets:		
Fair value of plan assets at beginning of year	\$ 1,830,471	\$ 1,780,759
Actual return on plan assets	83,791	68,591
Employer contributions	250,004	45,837
Annuities purchased or benefits paid	(966,546)	(58,463)
Expense charges	<u>(6,544)</u>	<u>(6,253)</u>
Fair value of plan assets at end of year	<u>\$ 1,191,176</u>	<u>\$ 1,830,471</u>
Funded status:		
(Under) funded status of the plan	<u>\$ (77,145)</u>	<u>\$ (327,169)</u>

The following shows the development of net periodic benefit cost for the years ended June 30:

	<u>2014</u>	<u>2013</u>
Service cost	\$ 6,544	\$ 6,253
Interest cost	86,086	74,056
Expected return on plan assets	(97,610)	(106,280)
Amount of recognized actuarial losses	<u>7,386</u>	<u>-</u>
Net periodic benefit cost	<u>\$ 2,406</u>	<u>\$ (25,971)</u>

Financial Statement Recognition

As of June 30, 2014 and 2013, the following amounts were recognized in the combined statement of financial position:

	<u>2014</u>	<u>2013</u>
As a liability	<u>\$ (77,145)</u>	<u>\$ (327,169)</u>

8. EMPLOYER RETIREMENT PLANS (Continued)

As of June 30, 2014 and 2013, the following amounts were recognized in the combined statement of activities and changes in net assets:

	<u>2014</u>	<u>2013</u>
Net periodic benefit cost	\$ 2,406	\$ (25,971)
Changes in accrued pension costs	<u>\$ 130,690</u>	<u>\$ (171,757)</u>

Unamortized Items

As of June 30, 2014 and 2013, the following items included in net assets had not yet been recognized as a component of benefit expense:

	<u>2014</u>	<u>2013</u>
Unamortized (gains)/losses	<u>\$ 205,605</u>	<u>\$ 336,265</u>

Assumptions

The following table summarizes the assumptions used by the consulting actuaries and the related benefit cost information.

Weighted - average assumptions used to determine net periodic benefit as of June 30:

	<u>2014</u>	<u>2013</u>
Discount rate	3.50%	4.00%
Expected long-term return on plan assets	5.00%	6.00%
Rate of compensation increase	0.00%	0.00%

A best estimate range was determined for both the real rate of return (net of inflation) and for inflation based on historical 30 year period rolling averages to determine the expected long-term return on plan assets of 5.00% and 6.00% for the years ended June 30, 2014 and 2013, respectively. An average inflation rate of 3.25% and 4.00% was selected for the years 2013 and 2012, respectively, and added to the real rate of return range to arrive at a best estimate range of 4.71% – 5.91%. A rate toward the low end of the best estimate range of 6.00% was selected for conservatism based on upcoming retirement benefit payments expected of the next 10 years.

Determination of Investment Policy

The narrative description of the Plan's investment policy is determined by the plan sponsor. The Plan's assets are invested with an insurance company contract. The contract is able to invest in various equity securities as well as other fixed principal funds.

8. EMPLOYER RETIREMENT PLANS (Continued)

Plan Assets

The Plans weighted-average asset allocations as of June 30, 2014 and 2013, by asset category are as follows:

	2014 Actual Allocation	2014 Percentage Allocation	2013 Actual Allocation	2013 Percentage Allocation
Mutual funds- equity based	\$ 430,145	36.11%	\$ 292,913	16.00%
Fixed income	81,429	6.84%	16,307	0.89%
Money market	<u>679,602</u>	<u>57.05%</u>	<u>1,521,251</u>	<u>83.11%</u>
	<u>\$ 1,191,176</u>	<u>100.00%</u>	<u>\$ 1,830,471</u>	<u>100.00%</u>

The fair values of the Organization's Plan assets at June 30, 2014 and 2013 are as follows:

<u>Description</u>	Level 1 <u>Inputs</u>	Level 2 <u>Inputs</u>	Level 3 <u>Inputs</u>	<u>Total</u>
<u>June 30, 2014:</u>				
Mutual funds- equity based	\$ 430,145	\$ -	\$ -	\$ 430,145
Fixed income	81,429	-	-	81,429
Money market	<u>679,602</u>	<u>-</u>	<u>-</u>	<u>679,602</u>
	<u>\$ 1,191,176</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,191,176</u>
<u>June 30, 2013:</u>				
Mutual funds- equity based	\$ 292,913	\$ -	\$ -	\$ 292,913
Fixed income	16,307	-	-	16,307
Money market	<u>1,521,251</u>	<u>-</u>	<u>-</u>	<u>1,521,251</u>
	<u>\$ 1,830,471</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,830,471</u>

Contributions

The Organization contributed \$250,000 and \$45,837 to this Plan for the years ended June 30, 2014 and 2013, respectively. The Organization does not expect to contribute to the Plan during 2015.

Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

2015	\$ 159,000
2016	262,000
2017	272,000
2018	57,000
2019	40,000
2020-2023	<u>504,000</u>
	<u>\$ 1,294,000</u>

9. ENDOWMENT

The Organization's endowment consists of funds established to provide investment income to be used for fundraising and operating costs so that a higher percentage of donor contributions can be directed to the Community Care Fund. Its endowment includes donor-restricted and board designated endowments. As required by generally accepted accounting principles, net assets associated with endowment funds including funds, designated by the Board of Directors to function as endowments, are classified and reported based on the existence of donor-imposed restrictions.

Endowment net asset composition by fund type as of June 30, 2014 and 2013 is as follows:

	<u>Board Designated</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>June 30, 2014:</u>			
Endowment funds	<u>\$ 1,528,323</u>	<u>\$ 597,141</u>	<u>\$ 2,125,464</u>
<u>June 30, 2013:</u>			
Endowment funds	<u>\$ 543,990</u>	<u>\$ 561,277</u>	<u>\$ 1,105,267</u>

Changes in endowment net assets for the years ended June 30, 2014 and 2013 are as follows:

	<u>Board Designated</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets - July 1, 2012	\$ 503,924	\$ 554,743	\$ 1,058,667
Net appreciation (depreciation)	33,066	6,534	39,600
Contributions	<u>7,000</u>	<u>-</u>	<u>7,000</u>
Endowment net assets - June 30, 2013	<u>\$ 543,990</u>	<u>\$ 561,277</u>	<u>\$ 1,105,267</u>
Net appreciation (depreciation)	98,681	32,803	131,484
Contributions	<u>885,652</u>	<u>3,061</u>	<u>888,713</u>
Endowment net assets - June 30, 2014	<u>\$ 1,528,323</u>	<u>\$ 597,141</u>	<u>\$ 2,125,464</u>

Return Objectives and Risk Parameters

Investments of the Board-designated funds are made for the purpose of providing supplemental funding of fundraising and operational activities. The permanently restricted assets are those donor-restricted funds that the Organization must hold in perpetuity.

The Organization recognizes that risk (i.e. the uncertainty of future events), volatility (i.e. the potential for variability of asset values), and the possibility of loss in purchasing power (due to inflation) are present to some degree in all types of investment vehicles. While high levels of risk are to be avoided, the assumption of some risk is warranted in order to allow the investment manager the opportunity to achieve satisfactory long term results consistent with the objectives of the fund.

9. ENDOWMENT (Continued)

Strategies Employed for Achieving Objectives

The Organization has adopted investment and spending policies for endowment assets that attempt to maintain the corpus of the fund while allowing the account to grow in order to provide a resource for occasional funding to programs supported by its endowment. Endowment assets include only unrestricted and permanently restricted funds as of June 30, 2014 and 2013. Under this policy, as approved by the Board of Directors, the endowment assets are invested primarily in stocks (generally targeted at 40-60% of the fund), bonds (38-52%) and commodities (2-8%). No target growth rate is stated or implied by the Organization's investment objectives. Actual investment returns in any given year may vary.

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation (see information above) that places a greater emphasis on equity and bond based investments to achieve its long-term return objectives with prudent risk constraints.

Management periodically presents system level initiatives that they feel worthy of Organization support. The Organization's Board reviews these suggestions and appropriates money on occasion for items they deem worthwhile. There is no annual target for expenditures.

The governing board has interpreted the applicable provisions of New York Not-for-Profit Corporation Law to mean that the classification of appreciation on its permanently restricted endowment gifts, beyond the original gift amount, follows the donor's restrictions on the use of the related income (interest and dividends), and income is classified as temporarily restricted until appropriated for expenditure. As of June 30, 2014, all income related to permanently restricted net assets has been expended consistent with donor intent.

10. SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 2, 2014, which is the date these combined financial statements were available to be issued.

**UNITED WAY OF THE GREATER CAPITAL REGION, INC.
STATE EMPLOYEES FEDERATED APPEAL**

Schedule I

**COMBINING SCHEDULE OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2014
(With Comparative Totals for 2013)**

	United Way of the Greater Capital Region, Inc.	State Employees Federated Appeal	Eliminations	Total 2014	2013
ASSETS					
Cash and cash equivalents	\$ 1,175,761	\$ 344,351	\$ -	\$ 1,520,112	\$ 1,391,131
Investments	3,510,395	-	-	3,510,395	3,098,406
Pledges receivable, net	1,631,979	799,092	(169,051)	2,262,020	2,682,324
Contributions receivable	715,652	-	-	715,652	30,000
Other receivables	88,685	-	-	88,685	37,850
Prepaid expenses	45,044	-	-	45,044	28,883
Property and equipment, net	349,118	-	-	349,118	395,426
Beneficial interest in perpetual trust	484,080	-	-	484,080	451,277
	<u>\$ 8,000,714</u>	<u>\$ 1,143,443</u>	<u>\$ (169,051)</u>	<u>\$ 8,975,106</u>	<u>\$ 8,115,297</u>
LIABILITIES AND NET ASSETS					
LIABILITIES:					
Accounts payable and accrued expenses	\$ 139,082	\$ -	\$ -	\$ 139,082	\$ 124,533
Due to affiliated agencies	2,036,929	169,051	(169,051)	2,036,929	1,616,974
Due to designated agencies	759,999	974,333	-	1,734,332	2,029,493
Accrued pension cost	77,145	-	-	77,145	327,169
	<u>3,013,155</u>	<u>1,143,384</u>	<u>(169,051)</u>	<u>3,987,488</u>	<u>4,098,169</u>
NET ASSETS:					
Unrestricted -					
Undesignated	2,726,654	59	-	2,726,713	2,768,716
Board designated	1,543,323	-	-	1,543,323	662,639
Total unrestricted	4,269,977	59	-	4,270,036	3,431,355
Temporarily restricted	120,441	-	-	120,441	24,496
Permanently restricted	597,141	-	-	597,141	561,277
	<u>4,987,559</u>	<u>59</u>	<u>-</u>	<u>4,987,618</u>	<u>4,017,128</u>
	<u>\$ 8,000,714</u>	<u>\$ 1,143,443</u>	<u>\$ (169,051)</u>	<u>\$ 8,975,106</u>	<u>\$ 8,115,297</u>

The accompanying notes are an integral part of these schedules.

**UNITED WAY OF THE GREATER CAPITAL REGION, INC.
CAPITAL REGION COMBINED FEDERAL CAMPAIGN AND
STATE EMPLOYEES FEDERATED APPEAL**

Schedule II

**COMBINING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014
(With Comparative Totals for 2013)**

	United Way of the Greater Capital Region, Inc.				Capital Region Combined Federal Campaign	State Employees Federated Appeal	Eliminations	Totals	2013
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Unrestricted			
SUPPORT, REVENUE AND GAINS:									
Support									
Contributions received - United Way Campaign	\$ 4,675,180	\$ 1,102	\$ -	\$ 4,676,282	\$ 5,532	\$ 1,602,991	\$ (199,050)	\$ 6,085,755	\$ 6,686,970
Less: Donor designations	(1,343,477)	-	-	(1,343,477)	(5,351)	(1,198,737)	-	(2,547,565)	(2,821,235)
Allowance for uncollectible pledges	(259,000)	-	-	(259,000)	-	(44,341)	-	(303,341)	(325,867)
Subtotal	3,072,703	1,102	-	3,073,805	181	359,913	(199,050)	3,234,849	3,539,868
Grants	217,378	110,400	-	327,778	-	-	-	327,778	191,365
Contributed goods and services	-	-	-	-	-	29,909	-	29,909	34,444
Legacies and bequests	906,296	-	-	906,296	-	-	-	906,296	33,412
Events	63,429	-	-	63,429	-	-	-	63,429	32,594
Net assets released from restrictions	15,557	(15,557)	-	-	-	-	-	-	-
Total support	4,275,363	95,945	-	4,371,308	181	389,822	(199,050)	4,562,261	3,831,683
Revenue and gains									
Federated campaign income	198,853	-	-	198,853	-	-	-	198,853	288,732
Donor designated service fees	52,331	-	-	52,331	-	-	-	52,331	59,098
Interest and dividends	53,037	-	-	53,037	16	-	-	53,053	47,358
Rental revenue	34,084	-	-	34,084	-	-	-	34,084	44,629
Gains on investments	257,584	-	-	257,584	-	-	-	257,584	39,896
Gains permanently restricted	-	-	35,864	35,864	-	-	-	35,864	6,534
Total revenue and gains	595,889	-	35,864	631,753	16	-	-	631,769	486,247
Total support, revenue, and gains	4,871,252	95,945	35,864	5,003,061	197	389,822	(199,050)	5,194,030	4,317,930
EXPENSES:									
Program services:									
Community building programs	2,647,339	-	-	2,647,339	-	159,879	-	2,807,218	2,461,794
SEFA and CFC	376,814	-	-	376,814	-	-	-	376,814	342,092
Total program services	3,024,153	-	-	3,024,153	-	159,879	-	3,184,032	2,803,886
Supporting services:									
Management and general	535,185	-	-	535,185	-	4,100	(4,100)	535,185	577,539
Fundraising	605,104	-	-	605,104	197	224,662	(194,950)	635,013	779,503
Total supporting services	1,140,289	-	-	1,140,289	197	228,762	(199,050)	1,170,198	1,357,042
Total expenses	4,164,442	-	-	4,164,442	197	388,641	(199,050)	4,354,230	4,160,928
CHANGE IN NET ASSETS BEFORE CHANGE IN PENSION COST	706,810	95,945	35,864	838,619	-	1,181	-	839,800	157,002
PENSION CHANGES OTHER THAN NET PERIODIC COSTS									
Pension related changes other than net periodic cost	130,690	-	-	130,690	-	-	-	130,690	(171,757)
CHANGE IN NET ASSETS	837,500	95,945	35,864	969,309	-	1,181	-	970,490	(14,755)
NET ASSETS - beginning of year	3,432,477	24,496	561,277	4,018,250	-	(1,122)	-	4,017,128	4,031,883
NET ASSETS - end of year	\$ 4,269,977	\$ 120,441	\$ 597,141	\$ 4,987,559	\$ -	\$ 59	\$ -	\$ 4,987,618	\$ 4,017,128

The accompanying notes are an integral part of these schedules.