

**UNITED WAY OF BUFFALO
AND ERIE COUNTY**

FINANCIAL STATEMENTS

March 31, 2012

INDEPENDENT AUDITORS' REPORT

The Board of Directors
United Way of Buffalo and Erie County

We have audited the accompanying balance sheets of United Way of Buffalo and Erie County as of March 31, 2012 and 2011 and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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 financial statements referred to above present fairly, in all material respects, the financial position of United Way of Buffalo and Erie County as of March 31, 2012 and 2011 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



November 8, 2012

UNITED WAY OF BUFFALO AND ERIE COUNTY

Balance Sheets

March 31,	2012	2011
Assets		
Cash and cash equivalents	\$ 3,459,802	\$ 3,368,931
Investments (Note 2)	3,652,398	3,642,360
Campaign pledges receivable, net (Note 3)	7,870,491	8,029,152
Grants and other receivables	483,967	542,586
Property and equipment, net (Note 4)	2,628,547	2,766,501
Other assets	37,243	45,749
	\$ 18,132,448	\$ 18,395,279
 Liabilities and Net Assets		
Liabilities:		
Designations payable	\$ 3,652,352	\$ 3,399,515
Allocations payable	1,194,973	1,181,493
Accounts payable and accrued expenses	568,983	626,611
Deferred revenue	268,723	770,392
Accrued pension liability (Note 5)	1,010,663	728,026
Accrued postretirement benefit obligation (Note 5)	298,000	281,000
	6,993,694	6,987,037
 Net assets:		
Unrestricted	6,943,895	6,763,605
Temporarily restricted	4,179,859	4,629,637
Permanently restricted (Note 6)	15,000	15,000
	11,138,754	11,408,242
	\$ 18,132,448	\$ 18,395,279

See accompanying notes.

UNITED WAY OF BUFFALO AND ERIE COUNTY

Statements of Activities

For the years ended March 31,

2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue, gains and other support:				
Campaign results:				
Current year campaign results	\$ -	\$ 13,603,658	\$ -	\$ 13,603,658
Less: donor designations	-	(4,021,197)	-	(4,021,197)
Estimated uncollectible pledges	-	(840,000)	-	(840,000)
Net assets released from restrictions	9,192,239	(9,192,239)	-	-
	<u>9,192,239</u>	<u>(449,778)</u>	<u>-</u>	<u>8,742,461</u>
Other revenues:				
Grant funding, program and other income	2,689,878	-	-	2,689,878
Investment income	42,964	-	-	42,964
	<u>2,732,842</u>	<u>-</u>	<u>-</u>	<u>2,732,842</u>
Total revenue, gains and other support	<u>11,925,081</u>	<u>(449,778)</u>	<u>-</u>	<u>11,475,303</u>
Expenses:				
Program services				
Gross funds awarded, granted or designated to agencies	10,703,241	-	-	10,703,241
Other program services	2,942,722	-	-	2,942,722
Total program services including designations	13,645,963	-	-	13,645,963
Less: donor designations	(4,021,197)	-	-	(4,021,197)
Total program services	9,624,766	-	-	9,624,766
Supporting services				
Management and general	377,736	-	-	377,736
Fund raising	1,443,675	-	-	1,443,675
	<u>1,821,411</u>	<u>-</u>	<u>-</u>	<u>1,821,411</u>
Total expenses	<u>11,446,177</u>	<u>-</u>	<u>-</u>	<u>11,446,177</u>
Increase (decrease)	478,904	(449,778)	-	29,126
Pension liability adjustment (Note 5)	(298,614)	-	-	(298,614)
Increase (decrease) in net assets	180,290	(449,778)	-	(269,488)
Net assets - beginning	6,763,605	4,629,637	15,000	11,408,242
Net assets - ending	\$ 6,943,895	\$ 4,179,859	\$ 15,000	\$ 11,138,754

See accompanying notes.

2011			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ -	\$ 13,303,634	\$ -	\$ 13,303,634
-	(3,461,480)	-	(3,461,480)
-	(850,394)	-	(850,394)
9,056,010	(9,056,010)	-	-
9,056,010	(64,250)	-	8,991,760
2,208,159	-	-	2,208,159
104,071	-	-	104,071
2,312,230	-	-	2,312,230
11,368,240	(64,250)	-	11,303,990
9,478,324	-	-	9,478,324
3,285,939	-	-	3,285,939
12,764,263	-	-	12,764,263
(3,461,480)	-	-	(3,461,480)
9,302,783	-	-	9,302,783
414,393	-	-	414,393
1,386,060	-	-	1,386,060
1,800,453	-	-	1,800,453
11,103,236	-	-	11,103,236
265,004	(64,250)	-	200,754
(107,442)	-	-	(107,442)
157,562	(64,250)	-	93,312
6,606,043	4,693,887	15,000	11,314,930
\$ 6,763,605	\$ 4,629,637	\$ 15,000	\$ 11,408,242

UNITED WAY OF BUFFALO AND ERIE COUNTY

Statements of Functional Expenses

For the years ended March 31,

2012

	Supporting Services				Total
	Program Services	Management and General	Fund Raising	Total Supporting Services	
Allocations and distributions	4,497,001	\$ -	\$ -	\$ -	\$ 4,497,001
Designations	4,021,197	-	-	-	4,021,197
Grant awards	2,185,043	-	-	-	2,185,043
	<u>10,703,241</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,703,241</u>
Salaries	1,517,094	221,143	738,842	959,985	2,477,079
Payroll taxes and employee benefits	412,476	60,859	200,713	261,572	674,048
Total salaries and related expenses	<u>1,929,570</u>	<u>282,002</u>	<u>939,555</u>	<u>1,221,557</u>	<u>3,151,127</u>
Professional fees	257,413	13,456	97,310	110,766	368,179
Supplies	46,226	1,265	32,124	33,389	79,615
Telephone	16,834	2,409	15,011	17,420	34,254
Postage	12,302	941	19,186	20,127	32,429
Occupancy	143,446	19,454	72,598	92,052	235,498
Printing and public relations	77,930	5,895	75,399	81,294	159,224
Travel, conferences and meetings	76,212	15,708	43,533	59,241	135,453
Membership dues	9,940	3,913	2,949	6,862	16,802
Employee education and training	6,276	530	3,219	3,749	10,025
Equipment rental and maintenance	144,633	4,368	26,641	31,009	175,642
Payments to State affiliate	23,847	2,014	12,230	14,244	38,091
Miscellaneous	10,583	531	3,302	3,833	14,416
Depreciation	119,525	10,094	61,299	71,393	190,918
Payments to National affiliate	67,985	15,156	39,319	54,475	122,460
	<u>2,942,722</u>	<u>377,736</u>	<u>1,443,675</u>	<u>1,821,411</u>	<u>4,764,133</u>
Total program services including designations	<u>13,645,963</u>	<u>377,736</u>	<u>1,443,675</u>	<u>1,821,411</u>	<u>15,467,374</u>
Less: donor designations	<u>(4,021,197)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,021,197)</u>
	<u>\$ 9,624,766</u>	<u>\$ 377,736</u>	<u>\$ 1,443,675</u>	<u>\$ 1,821,411</u>	<u>\$ 11,446,177</u>

See accompanying notes.

2011				
Program Services	Supporting Services			Total
	Management and General	Fund Raising	Total Supporting Services	
\$ 4,326,907	\$ -	\$ -	\$ -	\$ 4,326,907
3,461,480	-	-	-	3,461,480
1,689,937	-	-	-	1,689,937
9,478,324	-	-	-	9,478,324
1,744,850	246,875	706,313	953,188	2,698,038
508,154	71,631	202,492	274,123	782,277
2,253,004	318,506	908,805	1,227,311	3,480,315
197,634	23,111	74,208	97,319	294,953
66,209	1,266	29,200	30,466	96,675
20,726	2,770	15,692	18,462	39,188
15,592	907	20,377	21,284	36,876
147,323	18,139	65,234	83,373	230,696
80,884	9,068	97,524	106,592	187,476
90,522	12,878	32,761	45,639	136,161
11,377	2,907	1,788	4,695	16,072
7,217	535	3,276	3,811	11,028
140,932	5,883	24,355	30,238	171,170
24,929	1,847	11,315	13,162	38,091
14,956	671	4,108	4,779	19,735
134,489	9,966	61,041	71,007	205,496
80,145	5,939	36,376	42,315	122,460
3,285,939	414,393	1,386,060	1,800,453	5,086,392
12,764,263	414,393	1,386,060	1,800,453	14,564,716
(3,461,480)	-	-	-	(3,461,480)
\$ 9,302,783	\$ 414,393	\$ 1,386,060	\$ 1,800,453	\$ 11,103,236

UNITED WAY OF BUFFALO AND ERIE COUNTY

Statements of Cash Flows

For the years ended March 31,	2012	2011
Operating activities:		
Change in net assets:		
Change in net assets from operations	\$ 29,126	\$ 200,754
Net assets adjustment - defined benefit pension plan (Note 5)	(298,614)	(107,442)
	<u>(269,488)</u>	93,312
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	190,918	205,496
Realized and unrealized gain on investments	(15,611)	(80,940)
Gain on disposal of equipment	(2,269)	-
Changes in other operating assets and liabilities:		
Pledges receivable	158,661	119,608
Grants and other receivables	58,619	539,238
Other assets	8,506	(8,551)
Designations payable	252,837	(55,358)
Allocations payable	13,480	(312,107)
Accounts payable and accrued expenses	(57,628)	(296,396)
Deferred revenue	(501,669)	144,428
Accrued pension liability	282,637	332,317
Accrued postretirement benefit obligation	17,000	(15,000)
	<u>135,993</u>	666,047
Net operating activities	135,993	666,047
Investing activities:		
Purchase of investments	(1,820,323)	(2,258,039)
Proceeds from sale of investments	1,825,896	1,502,645
Purchase of property and equipment	(54,564)	(64,270)
Proceeds from disposal of equipment	3,869	-
	<u>(45,122)</u>	(819,664)
Net investing activities	(45,122)	(819,664)
Net change in cash and cash equivalents	90,871	(153,617)
Cash and cash equivalents - beginning	<u>3,368,931</u>	3,522,548
Cash and cash equivalents - ending	<u>\$ 3,459,802</u>	\$ 3,368,931

See accompanying notes.

Notes to Financial Statements

1. Summary of Significant Accounting Policies:

Organization and Operations:

United Way of Buffalo and Erie County (United Way) is a nonprofit corporation whose mission is to raise and distribute funds for community needs. United Way's fund raising efforts are concentrated in the Buffalo and Erie County metropolitan area.

Annual campaigns are conducted in the fall of each year to support programs whose services are provided primarily in the subsequent year. Campaign contributions are used to support local health and human service providers and to pay United Way's operating expenses. Donors may designate their pledges among several care programs. Community care designations are pooled and allocated to health and human service providers. Specific care donors designate their pledges to a specific nonprofit health and human services agency or another United Way.

Annual fall campaign results are reduced by pledges collected on behalf of others or pledged to a specific organization (i.e., donor designation) and by a provision for uncollectible pledges. The net campaign results are reflected as temporarily restricted in the accompanying statements of activities since the amounts are generally collected over time. Campaign collections are reflected as net assets released from restrictions.

Net campaign results are allocated to providers approved to receive community care funding at the completion of the campaign. Committed community care allocations are included in allocations payable in the accompanying balance sheets. Specific care donations have been recorded as pledges receivable and designations payable in the accompanying balance sheets.

Donor-Imposed Restrictions:

All contributions are considered available for unrestricted use unless specifically restricted by the donor. When a donor restriction expires (i.e. 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.

Contributions:

United Way's annual campaign drive begins around September 1 of each year, and is substantially completed by December 31. Revenues from the campaign are reported as temporarily restricted net assets.

Campaign contributions are used for allocations to agencies, payments to United Way of America, services provided directly by United Way, fund raising, fund distribution, management, and general expenses.

Subsequent Events:

United Way has evaluated events and transactions for potential recognition or disclosure in the financial statements through November 8, 2012 (the date the financial statements were available to be issued).

Cash and Cash Equivalents:

Cash and cash equivalents include highly liquid investments with original maturities of three months or less. Cash and cash equivalents at financial institutions may exceed insured limits at various times during the year, and subject United Way to concentrations of credit risk.

Investments:

Investments include marketable securities stated at fair value as determined by quoted prices in active markets.

United Way has established a fund at Community Foundation of Greater Buffalo (CFGB). CFGB is a nonprofit community foundation that, among other things, assists donors to manage their investments through the expertise of investment managers. The fund is pooled with other CFGB investment assets, and includes money market funds, marketable securities and alternative investments stated at fair value. Under the terms of an agreement with CFGB, United Way receives an annual distribution of 5% of the average value of the fund based on a moving average over a period of time as determined by CFGB. There are no restrictions on the use of the distributed funds from CFGB. Values of amounts held by CFGB are based on United Way's contributions, plus its allocable share of CFGB net investment earnings, as defined, less any withdrawals or distributions.

Pledges Receivable:

Pledges receivable are recognized in the year in which the pledges become known regardless of campaign year. Unconditional promises to give are recorded at estimated net realizable value.

Property and Equipment:

Property and equipment is recorded at cost if purchased, or, if donated, at fair market value at the date of donation, net of accumulated depreciation. Depreciation is provided over estimated useful lives using the straight-line method. Maintenance and repairs are charged to operations as incurred; significant improvements are capitalized.

Fund Raising Expenses:

Fund raising activities in connection with the annual campaign are conducted throughout the year, and are reported as expenses when incurred.

Contributed Volunteer Services:

No amounts have been reflected in the financial statements for contributed volunteer services. United Way pays for substantially all services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist United Way in its program services and fundraising campaigns.

Cost Allocation:

United Way's costs of providing its services have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Deferred Revenue:

Deferred revenue arises from grants and specific purpose program income for which related expenditures have not yet been made.

Income Taxes:

United Way is a 501(c)(3) corporation exempt from taxation under Section 501(a) of the Internal Revenue Code. United Way believes it is no longer subject to examination by Federal and State taxing authorities for years prior to 2009.

Use of Estimates:

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

2. Investments:

	2012	2011
Marketable securities:		
Certificates of deposit	\$ 2,384,503	\$ 2,300,152
Money market accounts	181,252	371,806
Mutual funds	102,391	95,476
Equities	43,367	43,481
Community Foundation for Greater Buffalo	940,885	831,445
	<u>\$ 3,652,398</u>	<u>\$ 3,642,360</u>

The following summarizes investment income in the statements of activities:

	2012	2011
Interest and dividends	\$ 27,353	\$ 23,131
Net realized and unrealized gains	15,611	80,940
	<u>\$ 42,964</u>	<u>\$ 104,071</u>

3. Campaign Pledges Receivable:

	2012	2011
United Way:		
2011 - 2012 Campaign	\$ 8,635,170	\$ -
2010 - 2011 Campaign	570,677	8,460,652
2009 - 2010 Campaign	242,054	416,458
2008 - 2009 Campaign	-	262,772
	<u>9,447,901</u>	<u>9,139,882</u>
Less allowance for uncollectible pledges	<u>2,372,716</u>	<u>2,111,120</u>
	<u>7,075,185</u>	<u>7,028,762</u>
Federal and State Federated Appeals	795,306	845,968
Western New York Women's Fund Campaign (WNYWF)	-	154,422
	<u>\$ 7,870,491</u>	<u>\$ 8,029,152</u>

United Way administers the local campaigns for federal and state employees. The Local Federal Coordinating Committee, representing the Combined Federal Campaign, and the State Employees Federated Appeal Steering Committee, representing the State Employees Federated Appeal, have designated United Way to conduct their annual campaigns in conjunction with the annual campaign of United Way.

United Way administered the WNYWF Campaign. This is a campaign separate from the United Way's, and was administered in conjunction with the CFGB. During 2012, WNYWF began to administer its own campaign.

United Way combines the activities of the separate campaigns with the activities of its own campaign in the accompanying financial statements, and presents the contributions as donor designations. The Federal and State Federated Appeals campaign remits an administrative fee to United Way for campaign management services.

4. Property and Equipment:

	<u>2012</u>	2011
Land	\$ 158,930	\$ 158,930
Building and improvements	3,664,627	3,659,342
Furniture and equipment	<u>2,960,166</u>	2,913,636
	6,783,723	6,731,908
Less accumulated depreciation	<u>4,155,176</u>	3,965,407
	<u>\$ 2,628,547</u>	\$ 2,766,501

5. Retirement Plans:

Defined Benefit Pension Plan:

United Way maintains a defined benefit pension plan covering essentially all nonunion employees. United Way's policy is to fund at least the minimum amount required by Employee Retirement Income Security Act (ERISA).

The status of the defined benefit pension plan at and for the years ended March 31, 2012 and 2011 is presented below. The measurement date used to determine the plan assets and benefit obligations is March 31st of each year.

	<u>2012</u>	2011
Projected benefit obligation	\$ 3,481,645	\$ 2,962,704
Fair value of plan assets	<u>2,470,982</u>	2,234,678
Funded status	<u>\$ (1,010,663)</u>	\$ (728,026)
Accumulated benefit obligation	<u>\$ 2,998,815</u>	\$ 2,457,207

Amounts recognized on the balance sheets:

	<u>2012</u>	2011
Accrued pension liability	<u>\$ (1,010,663)</u>	\$ (728,026)
Accumulated adjustment to net assets	<u>\$ (956,945)</u>	\$ (658,331)

Amounts recognized as the accumulated adjustment to net assets as of March 31, 2012 and 2011 consist of:

	<u>2012</u>	2011
Unrecognized actuarial loss	\$ 936,251	\$ 632,280
Unrecognized prior service cost	<u>20,694</u>	26,051
	<u>\$ 956,945</u>	\$ 658,331

Amounts included in the accumulated adjustment to net assets as of March 31, 2012 expected to be recognized in expense in 2013 are as follows:

Unrecognized actuarial loss	\$ 76,900
Unrecognized prior service cost	<u>5,400</u>
	<u>\$ 82,300</u>

Amounts recognized as pension liability adjustment for the years ended March 31, 2012 and 2011 consist of:

	<u>2012</u>	2011
Unrecognized net asset	\$ -	\$ -
Unrecognized actuarial gain (loss)	<u>(303,971)</u>	(112,799)
Unrecognized prior service cost	5,357	5,357
	<u>\$ (298,614)</u>	\$ (107,442)

Pension expense	\$ 194,023	\$ 284,875
Employer contributions	210,000	60,000
Benefits paid	73,086	524,735

Weighted average assumptions used to determine benefit obligations at March 31:

Discount rate	4.40%	5.50%
Expected future salary increase	4.00%	4.00%

Weighted average assumptions used to determine net periodic benefit cost:

Discount rate	5.50%	5.50%
Expected return on plan assets	7.50%	8.00%
Expected future salary increase	4.00%	4.00%

The expected long-term rate of return on plan assets assumption of 7.5% (8.0% for 2011) was selected using the “building block” approach described by the Actuarial Standards Board in Actuarial Standards of Practice No. 27 – Selection of Economic Assumptions for Measuring Pension Obligations. Based on United Way’s investment policy for the pension plan in effect as of the beginning of the fiscal year ended March 31, 2012, an estimated range was determined for both the real rate of return (net of inflation) and for inflation based on a historical 30 year rolling average. An average inflation rate within the range equal to 3.75% was selected and added to the real rate of return range to arrive at a range of 6.58% - 9.00%.

No contributions are expected to be required by United Way for 2013.

Benefits expected to be paid in each of the next five fiscal years and the following five years in aggregate are:

2013	\$ 413,000
2014	147,000
2015	114,000
2016	182,000
2017	37,000
2018-2022	<u>1,743,000</u>
	<u>\$ 2,636,000</u>

United Way's pension plan weighted-average asset allocations at March 31, 2012 and 2011 are as follows:

Asset Category:	<u>2012</u>	2011
Equity securities	52%	51%
Debt securities	43%	44%
Other	5%	5%
	<u>100%</u>	<u>100%</u>

The plan’s overall portfolio mix of equity securities and fixed income securities was based upon asset allocation modeling taking into consideration historical return patterns and risk factors. The plan believes that the current mix of assets under a balanced growth concept provides an appropriate level of return to achieve current assumed return plan assumptions. The plan has a target asset allocation of 50% equity securities and 50% debt securities. Under terms, the plan essentially invests only in securities for which there is an active market.

Multiemployer Pension Plan:

Certain hourly employees are covered under a multiemployer, union-administered pension plan. United Way is required to make contributions to the plan in accordance with the terms of existing collective bargaining agreements. United Way's contributions under this plan for the years ended March 31, 2012 and 2011 totaled \$10,400 and \$8,500.

Post Retirement Health Care Benefits:

United Way provides postretirement health care benefits for certain eligible employees. United Way’s practice is to fund these benefits as incurred. The measurement date used to determine the benefit obligation is March 31st of each year.

The status of the postretirement health benefit plan at and for the years ended March 31, 2012 and 2011 is as follows:

	<u>2012</u>	2011
Accrued postretirement benefit obligation (benefit liability)	\$ 298,000	\$ 281,000
Benefit cost	40,300	5,900
Benefits paid	23,300	20,900

Weighted average assumptions used:

Yearly health care premium increases	1.25%	1.25%
Discount rate	5.75%	5.75%

United Way assumes the annual health care premium increase will be approximately 1.25% based on its ability under the plan to adjust coverage or limit contributions to maintain this percentage increase.

Expected future benefit payments:

2013	\$ 30,700
2014	31,500
2015	32,300
2016	32,600
2017	33,600
2018-2022	<u>163,000</u>
	<u>\$ 323,700</u>

6. Permanently Restricted Net Assets:

Permanently restricted net assets have been restricted by donors to be maintained by United Way in perpetuity, the earnings from which can be used for unrestricted purposes. United Way's Board has interpreted the New York State Prudent Management of Institutional Funds Act (NYPMIFA), effective September 17, 2010, and prior law, Uniform Management of Institutional Funds Act (UMIFA), as requiring the preservation of the fair value of the original gift as of the gift date of donor endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, United Way classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of a donor gift instrument at the time the accumulation is added to the fund.

Generally, investment earnings related to permanently restricted endowment assets would be classified as temporarily restricted net assets until those amounts are appropriated for expenditure by United Way in a manner consistent with the standard of prudence prescribed by NYPMIFA. In accordance with NYPMIFA, United Way considers the following factors to appropriate or accumulate donor restricted endowment funds:

- Duration and preservation of the fund
- Purposes of United Way and the fund
- General economic conditions
- Possible effects of inflation and deflation
- Expected total return from income and appreciation of investments
- Other United Way resources
- Where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on United Way
- Investment policy of United Way

Currently, because of the small size of endowment assets relative to all investment assets, the Board considers all related earnings as appropriated unrestricted amounts.

7. Lease Commitments:

United Way leases various equipment under the terms of noncancelable operating leases. Future minimum lease payments due after March 31, 2012 are:

2013	\$ 23,600
2014	16,305
2015	15,468
	<u>\$ 55,373</u>

Rent expense totaled \$65,700 and \$64,500 in 2012 and 2011.