

UNITED WAY OF WINDHAM COUNTY, INC.

FINANCIAL STATEMENTS

Years Ended June 30, 2014 and 2013

UNITED WAY OF WINDHAM COUNTY, INC.

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June 30, 2014 and 2013

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**LEE A. WHITE & ASSOCIATES**  
CERTIFIED PUBLIC ACCOUNTANT

Lee A. White, CPA, CFP™, PFS



86 Summer Street  
Barre, Vermont 05641

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
United Way of Windham County, Inc.

We have audited the accompanying financial statements of United Way of Windham County, Inc. (a non-profit organization), which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Windham County, Inc. as of June 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of Allocations and Initiatives on page 16 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was not derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

*Lee A. White & Associates*

Barre, Vermont

VT Registration No.: 92-0000340

December 23, 2014

UNITED WAY OF WINDHAM COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2014 and 2013

	2014	2013
ASSETS		
CURRENT ASSETS		
Cash		
Unrestricted	\$ 82,902	\$ 56,091
Restricted for agencies allocation	67,135	106,791
In trust for unrelated agencies	39,688	92,906
Board designated accounts (Note 16)	344,874	314,171
Total cash	534,599	569,959
Accounts receivable	-	2,299
Pledges receivable (net of \$20,000 and \$20,000)	149,164	128,752
Prepaid expenses	4,017	20,578
TOTAL CURRENT ASSETS	<u>687,780</u>	<u>721,588</u>
PROPERTY AND EQUIPMENT (Notes 1 and 2)		
Property and equipment	23,105	22,015
Less: accumulated depreciation	(17,528)	(17,213)
Total property and equipment	<u>5,577</u>	<u>4,802</u>
TOTAL ASSETS	<u>\$ 693,357</u>	<u>\$ 726,390</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 9,102	\$ 2,709
Allocations Payable	22,250	18,525
Due to unrelated agencies (Note 6)	39,688	92,906
Accrued wages	4,538	2,434
Deferred Revenue (Note 11)	26,721	20,670
TOTAL CURRENT LIABILITIES	<u>102,299</u>	<u>137,244</u>
NET ASSETS		
Unrestricted (Note 9)	(79,998)	(49,236)
Temporarily restricted (Note 10)	671,056	638,382
Permanently restricted	-	-
TOTAL NET ASSETS	<u>591,058</u>	<u>589,146</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 693,357</u>	<u>\$ 726,390</u>

The accompanying notes are an integral part of these financial statements.

UNITED WAY OF WINDHAM COUNTY, INC.

STATEMENTS OF ACTIVITIES  
Years ended June 30, 2014 and 2013

	2014	2013
<b>Unrestricted Net Assets:</b>		
Unrestricted operating revenues and support:		
Temporarily restricted net assets released from restrictions due to satisfaction of terms	\$ 435,019	\$ 479,350
Interest	1,044	1,306
Special events	28,236	485
In kind revenue	9,767	24,372
	<u>474,066</u>	<u>505,513</u>
Allocations and functional expenses:		
Agency allocations and initiatives (See page 16)	250,703	331,679
Unallocated payments to national organization	3,884	3,659
	<u>254,587</u>	<u>335,338</u>
Functional expenses:		
Program services	145,326	177,249
Support services:		
Management and general	67,891	35,697
Fundraising	37,024	48,062
Total support services	<u>104,915</u>	<u>83,759</u>
Total functional expenses	<u>250,241</u>	<u>261,008</u>
Total allocations and functional expenses	<u>504,828</u>	<u>596,346</u>
Increase or (decrease) in unrestricted net assets from operations	<u>(30,762)</u>	<u>(90,833)</u>
<b>Temporarily Restricted Net Assets:</b>		
Contributions, current campaign	444,100	441,397
Recoveries of previous pledges not received	5,015	5,275
Less provision for pledges not received	(20,000)	(20,000)
Less donor designations	(26,696)	(22,313)
Grants, bequests and other revenue	65,274	56,552
Temporarily restricted net assets released from restrictions due to satisfaction of terms	<u>(435,019)</u>	<u>(479,350)</u>
Increase in temporarily restricted net assets	<u>32,674</u>	<u>(18,439)</u>
Increase or (decrease) in Net Assets	1,912	(109,272)
NET ASSETS, BEGINNING OF YEAR	589,146	697,246
Prior period adjustment (Note 14)	-	1,172
NET ASSETS, END OF YEAR	<u>\$ 591,058</u>	<u>\$ 589,146</u>

The accompanying notes are an integral part of these financial statements.

UNITED WAY OF WINDHAM COUNTY, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
Year Ended June 30, 2014

	Program Services	Supporting Services			Total
		General and Administrative	Fundraising	Supporting Services	
Salaries	\$ 70,876	\$ 41,943	\$ 16,973	\$ 58,916	\$ 129,792
Payroll taxes	6,544	2,291	2,072	4,363	10,907
Employee benefits	9,825	3,439	3,111	6,550	16,375
	<u>87,245</u>	<u>47,673</u>	<u>22,156</u>	<u>69,829</u>	<u>157,074</u>
Payroll Service Expense	241	85	76	161	402
Workers Compensation insurance	576	202	183	385	961
Training and professional development	169	42	38	80	249
Rent	8,913	3,120	2,823	5,943	14,856
Telephone	676	237	214	451	1,127
Software	2,827	394	357	751	3,578
Campaign Expenses	-	-	2,788	2,788	2,788
Campaign Public Relations	-	-	546	546	546
Office Supplies	888	297	268	565	1,453
Postage and delivery	965	338	305	643	1,608
Printing	715	168	152	320	1,035
Publication and subscriptions	157	55	50	105	262
Dues - other	-	549	-	549	549
Marketing	13	-	1,230	1,230	1,243
Travel	1,743	49	45	94	1,837
Meetings	521	88	79	167	688
Gifts given	125	-	-	-	125
Special events	10,693	-	-	-	10,693
Janitorial	-	-	-	-	-
Maintenance and repairs	1,799	629	570	1,199	2,998
Equipment Service Contracts	1,272	445	403	848	2,120
Audit/Accounting services	-	3,900	-	3,900	3,900
Bookkeeping services	912	4,000	-	4,000	4,912
Consulting Services	1,126	394	357	751	1,877
Bond Insurance	430	150	136	286	716
Directors & Officers liability insurance	835	292	264	556	1,391
Property/Casualty insurance	876	307	277	584	1,460
Credit Card fees	-	-	1,326	1,326	1,326
Bank fees	-	13	-	13	13
Disaster relief	7,706	-	-	-	7,706
Contracted services	4,118	-	-	-	4,118
Miscellaneous expenses	2,332	1,856	21	1,877	4,209
In kind expense	5,860	2,051	1,856	3,907	9,767
	<u>143,733</u>	<u>67,334</u>	<u>36,520</u>	<u>103,854</u>	<u>247,587</u>
Depreciation expense	1,593	557	504	1,061	2,654
Total expenses	\$ 145,326	\$ 67,891	\$ 37,024	\$ 104,915	\$ 250,241

The accompanying notes are an integral part of these financial statements.

UNITED WAY OF WINDHAM COUNTY, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
Year Ended June 30, 2013

	Supporting Services			Total	
	Program Services	General and Administrative	Fundraising		Supporting Services
Salaries	\$ 79,658	\$ 19,037	\$ 21,644	\$ 40,681	\$ 120,339
Payroll taxes	5,356	2,206	2,259	4,465	9,821
Employee benefits	10,627	2,501	2,501	5,002	15,629
	<u>95,641</u>	<u>23,744</u>	<u>26,404</u>	<u>50,148</u>	<u>145,789</u>
Payroll Service Expense	207	85	87	172	379
Workers Compensation insurance	950	391	401	792	1,742
Training and professional development	300	3	3	6	306
Rent	8,096	3,334	3,414	6,748	14,844
Telephone	786	324	332	656	1,442
Software	1,400	210	210	420	1,820
Campaign Expenses	-	-	5,818	5,818	5,818
Campaign Public Relations	-	-	150	150	150
Office Supplies	1,135	420	431	851	1,986
Postage and delivery	300	260	1,000	1,260	1,560
Printing	427	-	141	141	568
Publication and subscriptions	-	-	-	-	-
Dues - other	-	360	-	360	360
Marketing	21	-	340	340	361
Travel	3,000	295	295	590	3,590
Meetings	1,028	112	115	227	1,255
Gifts given	-	-	-	-	-
Special events	5,953	-	-	-	5,953
Janitorial	-	60	-	60	60
Maintenance and repairs	1,215	529	795	1,324	2,539
Equipment Service Contracts	813	756	755	1,511	2,324
Audit/Accounting services	1,993	1,999	1,993	3,992	5,985
Bookkeeping services	1,849	1,742	1,690	3,432	5,281
Consulting Services	1,300	-	1,335	1,335	2,635
Bond Insurance	391	161	164	325	716
Directors & Officers liability insurance	694	286	292	578	1,272
Property/Casualty insurance	351	144	148	292	643
Credit Card fees	-	-	798	798	798
Bank fees	-	-	458	458	458
Disaster relief	15,220	-	-	-	15,220
Contracted services	6,688	-	-	-	6,688
Miscellaneous expenses	1,951	-	-	-	1,951
In kind expense	24,371	-	-	-	24,371
	<u>176,080</u>	<u>35,215</u>	<u>47,569</u>	<u>82,784</u>	<u>238,864</u>
Depreciation expense	1,169	482	493	975	2,144
Total expenses	<u>\$ 177,249</u>	<u>\$ 35,697</u>	<u>\$ 48,062</u>	<u>\$ 83,759</u>	<u>\$ 261,008</u>

The accompanying notes are an integral part of these financial statements.



UNITED WAY OF WINDHAM COUNTY, INC.

STATEMENTS OF CASH FLOWS  
Years Ended June 30, 2014 and 2013

	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 1,912	\$ (109,272)
Adjustments to reconcile change in net assets to net cash (used) or provided by operating activities:		
Depreciation	2,654	2,144
Accounts receivable	2,299	(2,299)
Pledges receivable	(20,412)	31,591
Prepaid expenses	16,562	6,955
Accounts payable	6,393	(2,581)
Allocations payable	3,725	9,393
Due to unrelated agencies	(53,218)	(118,283)
Accrued expenses	2,657	78
Deferred revenue	6,051	20,670
Prior period adjustment (Note 14)	-	1,172
Net cash (used) provided by operating activities	<u>(31,377)</u>	<u>(160,432)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of equipment and leasehold improvements	<u>(3,430)</u>	<u>(330)</u>
Net cash (used) provided by investing activities	<u>(3,430)</u>	<u>(330)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowing	<u>-</u>	<u>-</u>
Net cash (used) provided by financing activities	<u>-</u>	<u>-</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(34,807)</b>	<b>(160,762)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<u>569,406</u>	<u>730,168</u>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<u>\$ 534,599</u>	<u>\$ 569,406</u>
<b>SUPPLEMENTAL SCHEDULE OF CASH FLOW INFORMATION</b>		
Cash paid during the year for interest	\$ -	\$ -
Cash paid during the year for income taxes	-	-
Non-cash transactions:		
In-kind revenue	\$ 9,767	\$ 24,372
In-kind expense	9,767	24,372

The accompanying notes are an integral part of these financial statements.

UNITED WAY OF WINDHAM COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014 and 2013

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**Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of the United Way of Windham County, Inc. is presented to assist in understanding the United Way of Windham County, Inc.'s financial statements. The financial statements and notes are representations of the organization's management.

Nature of Activities:

United Way of Windham County, Inc. (the Organization) located in Brattleboro, Vermont, raises funds for allocation to other not-for-profit organizations in Windham County that meet the human service needs of the area. It facilitates community volunteers to annually review each applicant organization's funding request and then recommends to the United Way board of directors where the funds should responsibly be distributed. The Organization facilitates the greater human service community to work to bring together all available resources to solve current community problems in the most effective and efficient manner possible.

Use of Estimates:

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

Income Taxes:

The United Way of Windham County, Inc. is an organization which is not a private foundation within the meaning of section 509(a) of the Internal Revenue Code and qualifies for exemption from federal income tax under Section 501(c)(3) of the Code. Therefore, no provision for income taxes is made in the accompanying financial statements.

Allocations of Functional Expenses:

The Organization allocates direct expenses to its programs and supporting services on a specific identification basis. Indirect expenses are allocated based on an estimate of employee time spent in each functional area. These estimates may be revised during the year if the actual costs are found to be significantly different than anticipated.

Cash and Cash Equivalents:

For the purposes of the statement of cash flows, the Organization considers all short-term investments with an original maturity of three months or less to be cash equivalents.

UNITED WAY OF WINDHAM COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014 and 2013

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**Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

In-Kind Contributions:

The Organization receives donations of products and services from various donors. These contributions are recorded at their estimated fair market value at their date of donation. The estimated fair value of such products and services received for fiscal years ended June 30, 2014 and 2013 was \$9,767 and \$24,372 respectively.

Contributions of services are recognized in the financial statements if the services enhance or created non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Volunteer services are not recorded in the financial statements as these contributions do not meet the requirements to be recorded as revenue and expense. Donated goods and services consisted of the following:

<u>Item or Service</u>	<u>Estimated Fair Market Value</u>
Marketing/Advertising	\$ 2,340
Other	7,427
Total 2014	<u>\$ 9,767</u>
Total 2013	<u>\$ 24,372</u>

Public support/revenue recognition:

The Organization conducts an annual fundraising campaign accounting for pledges received from July 1 through June 30 of each fiscal year. Pledges are recognized as revenue when the pledge is received by the Organization. Campaign contributions and pledges are reported as temporarily restricted net assets for use in the subsequent year unless specifically restricted by the donor. Campaign pledges recorded in the current fiscal year are paid out as allocations to agencies over the subsequent fiscal year, typically with a 12-month period. Donor designations are accounted for separately from annual campaign revenue.

Compensated Absences:

The Organization does not record leave time earned by employees. Management determined the impact on these financial statements is immaterial.

UNITED WAY OF WINDHAM COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014 and 2013

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**Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Contributions and Net Assets:

United Way of Windham County, Inc. has adopted FASB ASC 958-605 (formerly Statement of Financial Accounting Standards No. 116, "Accounting for Contributions Received and Contributions Made"), (SFAS No. 116). In accordance with FASB ASC 958-605 contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending upon the existence or nature of donor restriction.

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

United Way of Windham County, Inc. has also adopted FASB ASC 958-225-45-16 (formerly Statement of Financial Accounting Standards No. 117, "Financial Statements for Not-For-Profit Organization"), (SFAS No. 117).

Under these provisions, net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets – Net assets are subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.

Permanently Restricted Net Assets – Net assets that are subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets may or may not permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

The Organization does not have any permanently restricted net assets at June 30, 2014 and 2013. The balance in temporarily restricted net assets at June 30, 2014 and 2013 was \$671,056 and \$638,382 respectively.

UNITED WAY OF WINDHAM COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014 and 2013

**Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Property and Equipment:

Equipment is stated at cost or at estimated fair value at the date of gift. All expenditures for equipment over \$750 are recorded at cost and are capitalized. Donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Depreciation is provided by the straight line method over the estimated useful lives of the assets, generally, as follows:

<u>Asset Class</u>	<u>Estimated Lives</u>
Equipment	5-7 years
Leasehold Improvements	39 years

Depreciation expense for the years ended June 30, 2014 and 2013 was \$2,654 and \$2,144 respectively.

**Note 2. PROPERTY AND EQUIPMENT**

At June 30, 2014, the costs and related accumulated depreciation of property and equipment consisted of the following:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Equipment	\$ 23,105	\$ 17,528	\$ 5,577
Total 2014	<u>\$ 23,105</u>	<u>\$ 17,528</u>	<u>\$ 5,577</u>
Total 2013	<u>\$ 22,015</u>	<u>\$ 17,213</u>	<u>\$ 4,802</u>

**Note 3. FUND RAISING AND ADMINISTRATIVE EXPENSE RATIO**

The United Way of Windham County, Inc.'s overhead ratio for June 30, 2014 and 2013 is 21.7% and 17.9% respectively. The overhead ratio is calculated using the gross ratio as recommended by the United Way of America. This percentage is calculated by dividing the general and administrative and fundraising expenses by total revenue, as reported on form 990.

UNITED WAY OF WINDHAM COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014 and 2013

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**Note 4. PLEDGES RECEIVABLE**

Pledges receivable consist of payroll deduction pledges to be received by United Way of Windham County, Inc. within the next fiscal year. Unconditional promises to give are recognized as receivables and as revenues in the period in which the Organization is notified by the donor of their commitment to make a contribution.

Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables from pledges. For the years ending June 30, 2014 and 2013, actual bad debts on prior year pledges were \$20,000 and \$20,000 respectively. The amount of \$5,015 and \$5,275 has reduced the pledges receivable for the fiscal years ending June 30, 2014 and 2013 respectively.

**Note 5. OFFICE LEASE**

United Way of Windham County, Inc. leases its office space under a three year lease expiring March 1, 2017. The terms of the lease call for annual rent of:

Year ending June 30, 2015	\$ 14,552
Year ending June 30, 2016	\$ 14,980
Year ending June 30, 2017	\$ 15,428

Prior to the execution of the written lease, the Organization had a verbal month-to-month arrangement. Annual rent expense was \$14,856 in 2014 and \$14,844 in 2013.

**Note 6. DUE TO UNRELATED AGENCIES**

The Organization holds in trust public donations received for tenants of a building displaced by a fire and victims of damage from Hurricane Irene. Although the Organization has no ownership attributes of the funds, it has agreed to collect donations and make payments to the tenants and victims. A committee unrelated to the Organization authorizes payments to the eligible recipients. The executive director of the Organization is a member of the committee. The balance at June 30, 2014 and 2013 was \$39,688 and \$92,906 respectively.

**Note 7. DATE OF MANAGEMENT REVIEW**

Management has evaluated subsequent events through December 23, 2014, the date of the audit report. Management is not aware of any subsequent events which require disclosure.

UNITED WAY OF WINDHAM COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014 and 2013

**Note 8. RETIREMENT PLAN**

The Organization sponsors a defined contribution retirement plan which qualifies for deferred tax treatment by the employee. The Organization matches employee contributions up to 3% of eligible compensation for qualified participants. Employees may contribute up to the maximum allowed by law. Contributions totaled \$2,768 and \$1,806 for the years ending June 30, 2014 and 2013.

**Note 9. UNRESTRICTED NET ASSETS**

The board of directors has designated a portion of the unrestricted net assets as an emergency reserve in the case of the loss of a major employer participant in the annual campaign. The net assets for this fund are as follows:

	<u>2014</u>	<u>2013</u>
Reserve Fund People's United-Designated	\$ 97,918	\$ 97,186
Undesignated	<u>(177,916)</u>	<u>(146,422)</u>
Total unrestricted	<u>\$ (79,998)</u>	<u>\$ (49,236)</u>

**Note 10. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets consisted of the following as of June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Current campaign revenue to be distributed in the subsequent year	\$ 424,100	\$ 421,397
Bequest to establish an endowment Fund	<u>246,956</u>	<u>216,985</u>
Total temporarily restricted net assets	<u>\$ 671,056</u>	<u>\$ 638,382</u>

The bequest to establish an endowment fund is restricted. The policy restricts any use until a balance of \$300,000 is reached and then only income can be used.

UNITED WAY OF WINDHAM COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014 and 2013

**Note 11. DEFERRED REVENUE**

Deferred revenues are a result of grants and contracts received but unearned. Revenue is recognized only to the extent that related expenses have been incurred. Deferred revenue at June 30, 2014 and 2013 is as follows:

	<u>6/30/14</u>	<u>6/30/13</u>
Dental Clinic	\$ 9,035	\$ 8,039
VCF Grant	-	1,669
CI Venture Fund	-	2,506
Disaster Relief	-	8,456
TT Grant	17,686	-
Total	<u>\$ 26,721</u>	<u>\$ 20,670</u>

**Note 12. ENDOWMENT FUND**

The Merchant's Bank Trust investments consist of various investments which are presented at fair market value. Fair market value is based on price quotations on publicly traded securities. Fair value of the Endowment investments as of June 30, 2014 is as follows:

	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Appreciation</u>
Cash	\$ 6,794	\$ 6,794	\$ -
Equity Mutual Funds	110,075	155,462	45,387
Bond Mutual Funds	85,911	84,700	(1,211)
Total 6/30/14	<u>\$ 202,780</u>	<u>\$ 246,956</u>	<u>\$ 44,176</u>
Total 6/30/13	<u>\$ 200,412</u>	<u>\$ 216,985</u>	<u>\$ 16,573</u>

Investment income activity at year end consists of the following:

	<u>2014</u>	<u>2013</u>
Unrealized gain	\$ 27,603	\$ 16,572
Realized gain	1,587	2,171
Interest	3	8
Dividends	3,693	4,138
Investment fees	(2,914)	(1,943)
	<u>\$ 29,972</u>	<u>\$ 20,946</u>



UNITED WAY OF WINDHAM COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014 and 2013

**Note 13. CONCENTRATION OF CREDIT RISK**

The Organization places its cash accounts with four major financial institutions and, by policy, limits the amount of credit exposure to any one financial institution. No amounts exceeded the FDIC insurance levels at June 30, 2014 and 2013.

**Note 14. PRIOR PERIOD ADJUSTMENT**

The temporarily restricted account was increased by \$1,172 for additional funds from a trust account that was used to set up a board restricted fund.

**Note 15. UNCERTAINTY OF INCOME TAXES**

Management has evaluated significant tax positions against the criteria established by generally accepted accounting principles and believes there are no such tax positions requiring accounting recognition in the financial statements. Management does not believe its evaluation of tax positions will significantly change within twelve months of June 30, 2014.

Any changes in tax positions will be recorded when the ultimate outcome becomes known. The Organization's tax returns are subject to examination by taxing authorities generally for the years ended June 30, 2011 through June 30, 2013. There were no income tax related interest or penalties incurred in 2014 or 2013.

**Note 16. BOARD DESIGNATED ACCOUNTS**

The balance in this account at year end consists of the following:

	<u>2014</u>	<u>2013</u>
Reserve Fund at People's United	\$ 97,918	\$ 97,186
Endowment Fund (Note 12)	246,956	216,985
	<u>\$ 344,874</u>	<u>\$ 314,171</u>

SUPPLEMENTARY INFORMATION

UNITED WAY OF WINDHAM COUNTY, INC.  
 SCHEDULE OF ALLOCATIONS AND INITIATIVES  
 June 30, 2014 and 2013

	2014	2013
AHS Direct Service Dollars	\$ 11,500	\$ 9,200
AIDS Project of Southern Vermont	5,000	6,650
Brattleboro Area Drop in Center	-	17,500
Brattleboro Area Hospice	10,750	13,174
Brattleboro Senior Meals	3,500	-
Center for Health & Learnings	-	9,746
HCRS	-	15,000
Meeting Waters YMCA	9,000	8,000
Miscellaneous	50	-
Morningside Shelter	23,250	20,000
Our Place Drop In Center	9,180	10,800
Parks Place Community Resource Center	24,000	17,500
Prevent Child Abuse Vermont	9,000	14,400
SEVCA	25,940	35,840
The Gathering Place	5,600	6,524
Vermont 211	5,650	6,317
VITA Tax Prep	6,283	3,490
Windham and Windsor Housing Trust	28,000	40,000
Windham Child Care	13,000	25,000
Windham Childcare Association	20,000	26,828
Windham College	9,000	10,000
Youth Services	32,000	35,710
 Total Allocations	 <u>\$ 250,703</u>	 <u>\$ 331,679</u>