

**UNITED WAY OF WINDHAM COUNTY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

United Way of Windham County, Inc.

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June 30, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of United Way of Windham County, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of United Way of Windham County, Inc. as of June 30, 2024 and 2023, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of Windham County, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Windham County, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually, or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 United Way of Windham County, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Windham County, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of agency allocations and initiatives 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 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.

Downey, Piccioli, Fitzgerald + Co., P.C.

South Hadley, Massachusetts
May 7, 2025

United Way of Windham County, Inc.
Statements of Financial Position
June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets:		
Current assets:		
Cash and equivalents	\$ 331,908	\$ 385,540
Pledges receivable, net of credit losses of \$-0- and \$15,000 for the years ended June 30, 2024 and 2023, respectively	57,449	73,748
Prepaid expenses	3,851	2,550
Total current assets	<u>393,208</u>	<u>461,838</u>
Noncurrent assets:		
Investments	551,529	477,697
Property and equipment, net	106	925
Total noncurrent assets	<u>551,635</u>	<u>478,622</u>
Total assets	<u><u>\$ 944,843</u></u>	<u><u>\$ 940,460</u></u>
Liabilities and Net Assets:		
Current liabilities:		
Accounts payable	\$ 305	\$ 8,648
Accrued wages	9,270	4,213
Deferred revenue	-	5,502
Total current liabilities	<u>9,575</u>	<u>18,363</u>
Net assets without donor restrictions:		
Undesignated	602,551	641,120
Board designated	332,717	280,977
Total net assets without donor restrictions	<u>935,268</u>	<u>922,097</u>
Total liabilities and net assets	<u><u>\$ 944,843</u></u>	<u><u>\$ 940,460</u></u>

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

United Way of Windham County, Inc.
Statement of Activities
For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Contributions, current campaign	\$ 185,647	-	\$ 185,647
Less: provision for uncollectible contributions	-	-	-
Net campaign revenue	185,647	-	185,647
Grants, bequests and other revenue	281,892	-	281,892
Fiscal agent fees	22,283	-	22,283
Investment income, net	54,859	-	54,859
Other income	-	-	-
Net assets released from restrictions	-	-	-
Total support and revenue	544,681	-	544,681
Allocations and functional expenses:			
Program services:			
Agency allocations and initiatives	45,656	-	45,656
Program services	373,113	-	373,113
Total program services	418,769	-	418,769
Supporting services:			
General and administrative	51,999	-	51,999
Fundraising	60,742	-	60,742
Total supporting services	112,741	-	112,741
Total allocations and functional expenses	531,510	-	531,510
Change in net assets	13,171	-	13,171
Net assets, beginning of year, as previously reported	922,097	-	922,097
Prior period adjustment	-	-	-
Net assets, beginning of year, as restated	922,097	-	922,097
Net assets, end of year	\$ 935,268	\$ -	\$ 935,268

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

United Way of Windham County, Inc.
Statement of Activities
For the Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Contributions, current campaign	\$ 297,832	\$ 20,000	\$ 317,832
Less: provision for uncollectible contributions	-	-	-
Net campaign revenue	297,832	20,000	317,832
Grants, bequests and other revenue	263,191	20,000	283,191
Fiscal agent fees	40,772	-	40,772
Investment income, net	36,347	-	36,347
Other income	639	-	639
Net assets released from restrictions	40,000	(40,000)	-
Total support and revenue	678,781	-	678,781
Allocations and functional expenses:			
Program services:			
Agency allocations and initiatives	34,110	-	34,110
Program services	395,570	-	395,570
Total program services	429,680	-	429,680
Supporting services:			
General and administrative	44,070	-	44,070
Fundraising	48,363	-	48,363
Total supporting services	92,433	-	92,433
Total allocations and functional expenses	522,113	-	522,113
Change in net assets	156,668	-	156,668
Net assets, beginning of year, as previously reported	275,301	490,128	765,429
Prior period adjustment	490,128	(490,128)	-
Net assets, beginning of year, as restated	765,429	-	765,429
Net assets, end of year	\$ 922,097	\$ -	\$ 922,097

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

United Way of Windham County, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2024

	Supporting Services				
	Total Program	General and Administrative	Fundraising	Total Support	Total
Payroll related expenses:					
Salaries and wages	\$ 144,575	\$ 19,277	\$ 28,915	\$ 48,192	\$ 192,767
Payroll taxes	11,156	1,488	2,231	3,719	14,875
Employee benefits	<u>13,978</u>	<u>1,864</u>	<u>2,796</u>	<u>4,660</u>	<u>18,638</u>
Total payroll related expenses	169,709	22,629	33,942	56,571	226,280
Audit and accounting services	-	5,200	-	5,200	5,200
Agency allocations and initiatives	45,656	-	-	-	45,656
Bad debt	-	1,237	-	1,237	1,237
Bank and credit card fees	-	337	-	337	337
Bookkeeping services	-	8,102	-	8,102	8,102
Campaign designations	-	-	18,928	18,928	18,928
Consulting services	1,544	16	-	16	1,560
Depreciation	753	66	-	66	819
Dues - United Way	3,053	-	-	-	3,053
Dues - other	11	539	11	550	561
Fiscal agent grant expense	66,428	-	-	-	66,428
Grant and gift expense	109,084	1,113	1,113	2,226	111,310
Insurance	607	2,428	-	2,428	3,035
Maintenance and repairs	521	1,215	-	1,215	1,736
Marketing	1,944	342	342	684	2,628
Miscellaneous expenses	594	4,751	594	5,345	5,939
Office expenses	1,296	162	15	177	1,473
Postage, printing and delivery	390	476	-	476	866
Rent	10,088	1,419	4,256	5,675	15,763
Software	3,651	584	633	1,217	4,868
Special events	-	-	874	874	874
Telephone	1,956	1,383	34	1,417	3,373
Training and professional development	-	-	-	-	-
Travel and meetings	<u>1,484</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,484</u>
Total expenses by function	<u>\$ 418,769</u>	<u>\$ 51,999</u>	<u>\$ 60,742</u>	<u>\$ 112,741</u>	<u>\$ 531,510</u>

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

United Way of Windham County, Inc.

Statement of Functional Expenses For the Year Ended June 30, 2023

	Supporting Services				
	Total Program	General and Administrative	Fundraising	Total Support	Total
Payroll related expenses:					
Salaries and wages	\$ 118,949	\$ 15,860	\$ 23,790	\$ 39,650	\$ 158,599
Payroll taxes	10,833	1,445	2,167	3,612	14,445
Employee benefits	<u>6,151</u>	<u>820</u>	<u>1,230</u>	<u>2,050</u>	<u>8,201</u>
Total payroll related expenses	135,933	18,125	27,187	45,312	181,245
Audit and accounting services	-	4,000	-	4,000	4,000
Agency allocations and initiatives	34,110	-	-	-	34,110
Bad debt	-	-	-	-	-
Bank and credit card fees	-	642	-	642	642
Bookkeeping services	-	11,053	-	11,053	11,053
Campaign designations	-	-	13,422	13,422	13,422
Consulting services	1,622	16	-	16	1,638
Depreciation	1,992	173	-	173	2,165
Dues - United Way	8,231	-	-	-	8,231
Dues - other	23	1,116	23	1,139	1,162
Fiscal agent grant expense	110,463	-	-	-	110,463
Grant and gift expense	110,545	1,128	1,128	2,256	112,801
Insurance	485	1,940	-	1,940	2,425
Maintenance and repairs	632	1,473	-	1,473	2,105
Marketing	632	111	111	222	854
Miscellaneous expenses	40	321	40	361	401
Office expenses	2,196	274	25	299	2,495
Postage, printing and delivery	383	468	-	468	851
Rent	10,088	1,419	4,256	5,675	15,763
Software	3,384	542	587	1,129	4,513
Special events	-	-	1,514	1,514	1,514
Telephone	1,795	1,269	31	1,300	3,095
Training and professional development	610	-	39	39	649
Travel and meetings	<u>6,516</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,516</u>
Total expenses by function	<u>\$ 429,680</u>	<u>\$ 44,070</u>	<u>\$ 48,363</u>	<u>\$ 92,433</u>	<u>\$ 522,113</u>

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

United Way of Windham County, Inc.

Statements of Cash Flows

For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Change in net assets	\$ 13,171	\$ 156,668
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	819	2,165
Provision for uncollectible contributions	1,237	-
Realized and unrealized gains on investments	(42,161)	(22,427)
(Increase) decrease in assets:		
Pledges receivable	15,062	(8,798)
Prepaid expenses	(1,301)	-
Increase (decrease) in liabilities:		
Accounts payable	(8,343)	8,648
Accrued expenses	5,057	873
Deferred revenue	<u>(5,502)</u>	<u>(20,771)</u>
Net cash provided (used) by operating activities	<u>(21,961)</u>	<u>116,358</u>
Cash flows from investing activities:		
Proceeds from sales of investments	374,886	17,528
Cash paid for purchases of investments	<u>(406,557)</u>	<u>(30,958)</u>
Net cash used by investing activities	<u>(31,671)</u>	<u>(13,430)</u>
Net change in cash	<u>(53,632)</u>	<u>102,928</u>
Cash, beginning of year	<u>385,540</u>	<u>282,612</u>
Cash, end of year	<u>\$ 331,908</u>	<u>\$ 385,540</u>

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

United Way of Windham County, Inc.

Notes to Financial Statements

June 30, 2024 and 2023

Note 1 - Organization

Mission, Vision, and Values

Mission: United Way of Windham County, Inc. strives to improve lives by mobilizing the caring power of the community.

Vision: United Way of Windham County improves lives and builds stronger communities by focusing on Health, Opportunity, Prosperity, and Education (HOPE). We unite individuals, businesses, and organizations to create long-lasting, measurable change.

Values: United Way of Windham County, Inc. values hope, diversity, equity, inclusion, innovation, and adaptability. These core values shape the organization's approach to its work and align with its commitment to the community. United Way of Windham County, Inc. strives to represent the community as a whole, connect resources to the greatest need, empower grassroots efforts, and hold a big picture, forward-thinking vision to guide its work.

Note 2 - Summary of Significant Accounting Policies

Method of Accounting:

The financial statements have been prepared using the accrual basis of accounting which recognizes income as it is earned and expenses as they are incurred.

Basis of Presentation:

The United Way is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions - expiring or perpetual.

Net Assets Without Donor Restrictions:

Net asset available for use in general operations and not subject to donor or certain grantor restrictions.

Net Assets With Donor Restrictions:

Net assets subject to donor or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resources were restricted has been fulfilled, or both. Certain restrictions may need to be maintained in perpetuity.

All net assets of the Organization at June 30, 2024 and 2023 were considered to be net assets without donor restrictions.

United Way of Windham County, Inc.

Notes to Financial Statements June 30, 2024 and 2023

Note 2 - Summary of Significant Accounting Policies (Continued)

Use of Estimates:

The preparation of financial statements in conformity with U.S. 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.

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. Cash held in brokerage accounts is included in investments and excluded from cash for the purposes of cash flows.

Pledges Receivable:

Pledges receivable consist of individual pledges to be received by United Way of Windham County, Inc., at a future date. 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. The allowance for uncollectible pledges for the years ended June 30, 2024 and 2023 was \$-0- and \$15,000, respectively. There was bad debt expense of \$1,237 and \$-0-, for the years ended June 30, 2024 and 2023, respectively.

Investments:

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair value in the statement of financial position. Unrealized gains and losses are included in the change in net assets. The fair value of the investment is determined by reference to quoted market prices. Investment income or loss includes interest and dividends, unrealized gain/loss on held investments and gain/loss on sale of investments and is included in the statement of activities as without donor restrictions unless the income or loss is restricted by the donor or law.

Property, Equipment and Depreciation:

Equipment is stated at cost or at estimated fair value at the date of gift. All expenditures for equipment over \$2,500 are recorded at cost and are capitalized. Donations are reported as without donor restrictions 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:

Equipment	5-7 years
Leasehold Improvements	39 years

Depreciation expense for the years ended June 30, 2024 and 2023 was \$819 and \$2,165, respectively.

United Way of Windham County, Inc.

Notes to Financial Statements

June 30, 2024 and 2023

Note 2 - 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. Contributions of services are recognized in the financial statements if the services enhance or create 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 the donation. Volunteer services are not recorded in the financial statements as these contributions do not meet the requirements to be recorded as revenue and expenses.

The Organization did not receive any in-kind contributions during the years ended June 30, 2024 and 2023.

Contributions:

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 net assets without donor restrictions for use in the subsequent year unless specifically restricted by the donor.

The Organization accounts for other contributions and grants in accordance with the recommendations of U.S. generally accepted accounting principles. Unconditional promises to give are recognized as revenues in the period received as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions or barriers on which they depend are substantially met and the promises become unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires or has been met in the fiscal year in which the contributions were received.

Compensated Absences:

The Organization does not record leave time earned by employees that has not been used by the date of the statement of financial position. Management determined the impact on these financial statements is immaterial.

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. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A). Therefore, no provision for income taxes has been made in the accompanying financial statements.

United Way of Windham County, Inc.

Notes to Financial Statements

June 30, 2024 and 2023

Note 2 - Summary of Significant Accounting Policies (Continued)

Allocation 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 costs.

Note 3 - Liquidity and Availability of Funds

The Organization has the following financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position.

	2024	2023
Cash and equivalents	\$ 331,908	\$ 385,540
Pledges receivable, net	<u>57,449</u>	<u>73,748</u>
	<u><u>\$ 389,357</u></u>	<u><u>\$ 459,288</u></u>

The Organization expects to use ongoing contributions and grants to meet monthly expenses. The Organization has \$551,529 in investments (\$332,717 board designated as endowment) that could be used should additional funds be needed.

Note 4 - Pledges Receivable

Pledges receivable consisted of individual unconditional promises to give awarded to United Way of Windham County, Inc. without donor restrictions. Net pledges receivable totaled \$57,449 and \$73,748 at June 30, 2024 and 2023, respectively, and are all expected to be collected within the next fiscal year.

United Way of Windham County, Inc.

Notes to Financial Statements

June 30, 2024 and 2023

Note 5 - Investments

At June 30, 2024, investments consisted of the following:

	Market Value	Cost	Unrealized Gain (Loss)
Cash	\$ 14,854	\$ 14,854	\$ -
Fixed income	183,116	184,852	(1,736)
Equities	<u>353,559</u>	<u>298,334</u>	<u>55,225</u>
 Total investments	 <u>\$ 551,529</u>	 <u>\$ 498,040</u>	 <u>\$ 53,489</u>

At June 30, 2023, investments consisted of the following:

	Market Value	Cost	Unrealized Gain (Loss)
Cash	\$ 42,627	\$ 42,627	\$ -
Fixed income	121,085	139,469	(18,384)
Equity funds	<u>313,985</u>	<u>248,572</u>	<u>65,413</u>
 Total investments	 <u>\$ 477,697</u>	 <u>\$ 430,668</u>	 <u>\$ 47,029</u>

Investment income for the years ended June 30, 2024 and 2023 consisted of the following:

	2024	2023
Dividend and interest income	\$ 17,778	\$ 18,352
Realized gains (losses)	45,375	(1,324)
Unrealized gains (losses)	(3,214)	23,751
Investment fees	<u>(5,080)</u>	<u>(4,432)</u>
 Investment income, net	 <u>\$ 54,859</u>	 <u>\$ 36,347</u>

United Way of Windham County, Inc.

Notes to Financial Statements

June 30, 2024 and 2023

Note 6 - Fair Value Measurements

Generally accepted accounting principles in the United States define fair value 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 sets out a fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. The three levels of fair value hierarchy are described below:

Level 1 - based upon unadjusted quoted market prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the reporting date.

Level 2 - based upon quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, and inputs other than quoted prices that are observable for the asset or liability, either directly or by correlation or other means.

Level 3 - inputs for Level 3 fair values are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. Such inputs are based upon the best information in the circumstances and may require significant management judgment or estimation.

All assets of the Organization presented at fair value were measured using Level 1 inputs (i.e., readily available prices for actively and publicly traded securities).

Fair value of assets measured on recurring basis at June 30, 2024 are as follows:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Fixed income	\$ 183,116	\$ 183,116	\$ -	\$ -
Equities	<u>353,559</u>	<u>353,559</u>	<u>-</u>	<u>-</u>
Total assets subject to fair value measurement	<u>\$ 536,675</u>	<u>\$ 536,675</u>	<u>\$ -</u>	<u>\$ -</u>

United Way of Windham County, Inc.

Notes to Financial Statements

June 30, 2024 and 2023

Note 6 - Fair Value Measurements (Continued)

Fair value of assets measured on recurring basis at June 30, 2023 are as follows:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Fixed income	\$ 121,085	\$ 121,085	\$ -	\$ -
Equity funds	<u>313,985</u>	<u>313,985</u>	<u>-</u>	<u>-</u>
Total assets subject to fair value measurement	<u>\$ 435,070</u>	<u>\$ 435,070</u>	<u>\$ -</u>	<u>\$ -</u>

Fair value for investments is determined by reference to quoted market prices and other relevant information generated by market transactions.

Note 7 - Property and Equipment

Property and equipment consisted of the following at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Equipment	\$ 18,033	\$ 18,033
Less: accumulated depreciation	<u>(17,927)</u>	<u>(17,108)</u>
Property and equipment, net	<u>\$ 106</u>	<u>\$ 925</u>

United Way of Windham County, Inc.

Notes to Financial Statements June 30, 2024 and 2023

Note 8 - Deferred Revenue

Deferred revenues (contract liabilities) are a result of grants and contracts received but unearned. Revenue is recognized only to the extent that related expenses have been incurred.

The following table provides information about significant changes in the deferred revenue (contract liabilities) for grants and contracts for the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Deferred revenue, beginning of year	\$ 5,502	\$ 26,273
Revenue recognized that was included in deferred revenue at the beginning of year	(5,502)	(26,273)
Increase in deferred revenue due to cash received during the fiscal year	<u>-</u>	<u>5,502</u>
Deferred revenue, end of year	<u>\$ -</u>	<u>\$ 5,502</u>

Note 9 - Endowment Fund

The Financial Accounting Standards Board issued FASB ASC 958-205, "Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds". FASB ASC 958-205 provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). FASB ASC 958-205 also requires additional disclosures about an organization's endowment funds whether or not the organization is subject to UPMIFA. The Organization does not report its endowments based on FASB ASC 958-205.

The endowment is not donor restricted and instead, were funds that were set aside by the board in an investment account. The board of directors drafted formal endowment spending policies to ensure that the balance of the investment account is maintained for future use. Therefore, the endowment fund is reported as net assets without donor restrictions, board designated.

Endowment Investment and Spending Policies:

The Organization has investment and spending policies, approved by the board of directors, for endowment assets that attempt to provide funding to the organization while seeking to maintain the purchasing power of the endowment fund over the long-term. The Organization's spending and investment policies work together to achieve this objective.

United Way of Windham County, Inc.

Notes to Financial Statements June 30, 2024 and 2023

Note 9 - Endowment Fund (Continued)

The balance of the endowment fund must be maintained in its entirety. However, once the fair market value of the endowment fund exceeds \$300,000 at the end of the prior fiscal quarter, income earned on the endowment fund may be used for general operating purposes. Income available for distribution on a calendar-year basis is defined as 5% of a three-year rolling average of United Way's endowment fund market value. In the case of a new fund, availability will be defined as 5% of market value in year one and 5% of the two-year average market value in year two.

Changes in endowment funds for the year ended June 30, 2024 are as follows:

	<u>Undesignated</u>	<u>Board Designated</u>	<u>Total</u>
Balance, beginning of year	\$ -	\$ 280,977	\$ 280,977
Additions	-	20,000	20,000
Investment income	-	10,561	10,561
Gains on investment	-	24,232	24,232
Investment fees	-	(3,053)	(3,053)
 Total	 <u>\$ -</u>	 <u>\$ 332,717</u>	 <u>\$ 332,717</u>

Changes in endowment funds for the year ended June 30, 2023 are as follows:

	<u>Undesignated</u>	<u>Board Designated</u>	<u>Total</u>
Balance, beginning of year	\$ -	\$ 260,657	\$ 260,657
Investment income	-	11,239	11,239
Gains on investment	-	11,696	11,696
Investment fees	-	(2,615)	(2,615)
 Total	 <u>\$ -</u>	 <u>\$ 280,977</u>	 <u>\$ 280,977</u>

Note 10 - Board Designated Net Assets

Board designated net assets consist of the board designated endowment fund. The total value of the endowment fund was \$332,717 and \$280,977 as of June 30, 2024 and 2023, respectively.

United Way of Windham County, Inc.

Notes to Financial Statements

June 30, 2024 and 2023

Note 11 - Net Assets With Donor Restrictions

Net assets with donor restrictions were released for the dental fund during the year ended June 30, 2023 in the amount of \$40,000. There were no releases from net assets with donor restrictions during the year ended June 30, 2024.

Note 12 - Administrative and Fundraising Expenses Ratio

The Organization's overhead ratio for the years ended June 30, 2024 and 2023 is 20.7% and 13.6%, 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 the total revenue, as reported on the 990. Total calculation of administrative and fundraising expenses as a percentage of revenue is summarized below:

	2024	2023
Contributions, current campaign	\$ 185,647	\$ 317,832
Grants, bequests and other revenue	281,892	283,191
Fiscal agent fees	22,283	40,772
Investment income, net	54,859	36,347
Other income	-	639
	<hr/> <u>\$ 544,681</u>	<hr/> <u>\$ 678,781</u>
Administrative and fundraising expenses	<hr/> <u>\$ 112,741</u>	<hr/> <u>\$ 92,433</u>
Administrative and fundraising as a percentage of revenue	<hr/> <u>20.7%</u>	<hr/> <u>13.6%</u>

Note 13 - Prior Period Adjustment

The beginning balances on the financial statements for the year ended June 30, 2023 were adjusted to reclassify net assets with donor restrictions to net assets without donor restrictions. Donations and grants were misclassified as donations with donor restrictions in a prior fiscal year. In addition, the board designated endowment account was classified as donor restricted and was reclassified to net assets without donor restrictions in the current fiscal year. Management has determined that due to the absence of donor restrictions, a prior period adjustment was needed to correct the error. As a result, \$490,128 was reclassified as net assets without donor restrictions from net assets with donor restrictions.

United Way of Windham County, Inc.

Notes to Financial Statements

June 30, 2024 and 2023

Note 14 - Reclassifications

The prior year financial statements were reclassified to conform with the current year financial statements.

Note 15 - Subsequent Events

An amendment to the existing building lease was signed on February 18, 2025, that extended the lease term one year to March 31, 2026, and increased the monthly rent from \$1,300 to \$1,340.

Management has evaluated subsequent events through May 7, 2025, the date the financial statements were available to be issued.

Supplemental Information

United Way of Windham County, Inc.

Schedules of Agency Allocations and Initiatives For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Brattleboro Area Affordable Housing	\$ 10,000	\$ -
Brattleboro Museum & Art Center	-	600
Denture Fund	158	455
Ethopiam Community Development Council	-	5,000
Greater Falls Community Justice Center	-	3,055
Groundworks Collaborative, Inc.	-	5,000
Kids in Coats	19,998	15,000
Next Stage Arts	7,500	-
RCP Vermont	-	5,000
SEVCA	7,500	-
Winston Prouty Center	500	-
	<u>\$ 45,656</u>	<u>\$ 34,110</u>