

UNITED WAY OF WINDHAM COUNTY, INC.

FINANCIAL STATEMENTS

Years Ended June 30, 2016 and 2015

UNITED WAY OF WINDHAM COUNTY, INC.

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June 30, 2016 and 2015

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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, 2016 and 2015, and the related statements of activities, functional expenses 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, 2016 and 2015, 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

January 6, 2017

UNITED WAY OF WINDHAM COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2016 and 2015

	2016	2015
ASSETS		
CURRENT ASSETS		
Cash		
Unrestricted	\$ 176,167	\$ 121,658
Restricted for agencies allocation	67,563	67,328
In trust for unrelated agencies	-	1
Board designated accounts (Note 15)	339,088	342,970
Total cash	582,818	531,957
Accounts receivable	235	1,130
Pledges receivable (net of \$20,000 and \$20,000)	128,840	129,079
Prepaid expenses	5,950	12,253
TOTAL CURRENT ASSETS	717,843	674,419
PROPERTY AND EQUIPMENT (Notes 1 and 2)		
Property and equipment	20,846	24,005
Less: accumulated depreciation	(11,487)	(19,434)
Total property and equipment	9,359	4,571
TOTAL ASSETS	\$ 727,202	\$ 678,990
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 12,725	\$ 2,204
Allocations Payable	10,750	11,880
Accrued wages	7,031	4,722
Deferred Revenue (Note 11)	47,393	39,841
TOTAL CURRENT LIABILITIES	77,899	58,647
NET ASSETS		
Unrestricted (Note 9)	346	(36,822)
Temporarily restricted (Note 10)	648,957	657,165
Permanently restricted	-	-
TOTAL NET ASSETS	649,303	620,343
TOTAL LIABILITIES AND NET ASSETS	\$ 727,202	\$ 678,990

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

UNITED WAY OF WINDHAM COUNTY, INC.

STATEMENTS OF ACTIVITIES
Years ended June 30, 2016 and 2015

	2016	2015
Unrestricted Net Assets:		
Unrestricted operating revenues and support:		
Temporarily restricted net assets released from restrictions due to satisfaction of terms	\$ 503,986	\$ 435,861
Denture Fund	-	1,000
Unrestricted Contributions	-	1,643
Interest	169	542
Special events	18,053	28,071
In kind revenue	24,473	23,962
	546,681	491,079
Allocations and functional expenses:		
Agency allocations and initiatives (See page 16)	147,618	157,288
Unallocated payments to national organization	7,502	4,183
	155,120	161,471
Functional expenses:		
Program services	254,068	185,648
Support services:		
Management and general	40,024	49,837
Fundraising	60,301	50,947
Total support services	100,325	100,784
Total functional expenses	354,393	286,432
Total allocations and functional expenses	509,513	447,903
Increase or (decrease) in unrestricted net assets from operations	37,168	43,176
Temporarily Restricted Net Assets:		
Contributions, current campaign	405,939	411,662
Recoveries of previous pledges not received	-	17
Less provision for pledges not received	(20,000)	(24,419)
Less donor designations	(13,613)	(14,418)
Grants, bequests and other revenue	123,452	49,128
Temporarily restricted net assets released from restrictions due to satisfaction of terms	(503,986)	(435,861)
Increase or (decrease) in temporarily restricted net assets	(8,208)	(13,891)
Increase or (decrease) in Net Assets	28,960	29,285
NET ASSETS, BEGINNING OF YEAR	620,343	591,058
NET ASSETS, END OF YEAR	\$ 649,303	\$ 620,343

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, 2016

	Program Services	Supporting Services			Total
		General and Administrative	Fundraising	Supporting Services	
Salaries	\$ 146,517	\$ 18,574	\$ 26,929	\$ 45,503	\$ 192,020
Payroll taxes	13,148	1,575	2,428	4,003	17,151
Employee benefits	14,318	3,380	4,120	7,500	21,818
	<u>173,983</u>	<u>23,529</u>	<u>33,477</u>	<u>57,006</u>	<u>230,989</u>
Payroll service expense	245	134	155	289	534
Workers compensation insurance	1,061	108	212	320	1,381
Training and professional development	1,565	-	-	-	1,565
Rent (Note 5)	10,630	1,112	2,161	3,273	13,903
Telephone	1,126	105	193	298	1,424
Software	3,842	335	590	925	4,767
Campaign expenses	-	-	2,709	2,709	2,709
Office supplies	2,796	425	914	1,339	4,135
Postage and delivery	1,190	159	1,272	1,431	2,621
Printing	648	-	520	520	1,168
Publication and subscriptions	20	11	12	23	43
Dues - other	2,828	1,180	1,369	2,549	5,377
Marketing	5,926	2,659	6,085	8,744	14,670
Grant administrative cost	-	-	88	88	88
Travel	2,358	102	122	224	2,582
Meetings	794	71	82	153	947
Gifts given	132	-	-	-	132
Special events	6,408	-	-	-	6,408
Maintenance and repairs	5,455	799	1,327	2,126	7,581
Equipment service contracts	1,522	320	529	849	2,371
Audit/accounting services	-	4,300	-	4,300	4,300
Bookkeeping services	1,001	2,434	2,434	4,868	5,869
Consulting services	4,215	-	2,818	2,818	7,033
Bond insurance	-	318	-	318	318
Directors & officers liability insurance	-	1,461	-	1,461	1,461
Property/casualty insurance	702	381	442	823	1,525
Credit card fees	113	-	1,312	1,312	1,425
Bank fees	150	-	-	-	150
Miscellaneous expenses	1,412	-	-	-	1,412
In kind expense	23,153	-	1,320	1,320	24,473
	<u>253,275</u>	<u>39,943</u>	<u>60,143</u>	<u>100,086</u>	<u>353,361</u>
Depreciation expense	793	81	158	239	1,032
Total expenses	<u>\$ 254,068</u>	<u>\$ 40,024</u>	<u>\$ 60,301</u>	<u>\$ 100,325</u>	<u>\$ 354,393</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, 2015

	Program Services	Supporting Services		Total
		General and Administrative	Fundraising	
Salaries	\$ 93,214	\$ 31,153	\$ 29,286	\$ 60,439
Payroll taxes	8,279	2,007	2,258	4,265
Employee benefits	10,273	2,490	2,802	5,292
	<u>111,766</u>	<u>35,650</u>	<u>34,346</u>	<u>69,996</u>
Payroll service expense	298	72	81	153
Workers compensation insurance	643	156	175	331
Training and professional development	663	98	109	207
Rent (Note 5)	9,701	2,352	2,646	4,998
Telephone	812	197	221	418
Software	10,113	629	707	1,336
Campaign expenses	-	-	4,318	4,318
Office supplies	1,506	291	328	619
Postage and delivery	1,296	314	354	668
Printing	953	231	259	490
Publication and subscriptions	28	7	8	15
Dues - other	349	85	95	180
Marketing	-	-	-	-
Grant administrative cost	-	-	-	-
Travel	979	-	-	979
Meetings	1,565	96	110	206
Gifts given	-	-	-	-
Special events	10,951	-	-	10,951
Maintenance and repairs	396	96	108	600
Equipment service contracts	2,392	580	653	1,233
Audit/accounting services	-	4,100	-	4,100
Bookkeeping services	1,288	1,933	1,933	3,866
Consulting services	2,015	2,015	2,015	4,030
Bond insurance	473	115	128	243
Directors & officers liability insurance	964	234	263	497
Property/casualty insurance	1,161	281	317	598
Credit card fees	-	-	1,430	1,430
Bank fees	-	-	-	-
Miscellaneous expenses	116	-	-	116
In kind expense	23,962	-	-	23,962
	<u>184,390</u>	<u>49,532</u>	<u>50,604</u>	<u>100,136</u>
Depreciation expense	1,258	305	343	648
Total expenses	<u>\$ 185,648</u>	<u>\$ 49,837</u>	<u>\$ 50,947</u>	<u>\$ 100,784</u>
				<u>\$ 286,432</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, 2016 and 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 28,960	\$ 29,285
Adjustments to reconcile change in net assets to net cash (used) or provided by operating activities:		
Depreciation	1,032	1,906
Accounts receivable	895	(1,130)
Pledges receivable	239	20,085
Prepaid expenses	6,303	(8,236)
Accounts payable	10,521	(6,898)
Allocations payable	(1,130)	(10,370)
Due to unrelated agencies	-	(39,688)
Accrued expenses	2,309	184
Deferred revenue	7,552	13,120
Net cash (used) provided by operating activities	<u>56,681</u>	<u>(1,742)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment and leasehold improvements	<u>(5,820)</u>	<u>(900)</u>
Net cash (used) provided by investing activities	<u>(5,820)</u>	<u>(900)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowing	<u>-</u>	<u>-</u>
Net cash (used) provided by financing activities	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	50,861	(2,642)
CASH AND CASH EQUIVALENTS, BEGINNING	<u>531,957</u>	<u>534,599</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 582,818</u>	<u>\$ 531,957</u>
SUPPLEMENTAL SCHEDULE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	\$ -	\$ -
Cash paid during the year for income taxes	-	-
Non-cash transactions:		
In-kind revenue	\$ 24,473	\$ 23,962
In-kind expense	24,473	23,962

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

UNITED WAY OF WINDHAM COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016 and 2015

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 responsible 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, 2016 and 2015

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, 2016 and 2015 was \$24,473 and \$23,962 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:

Item or Service	2016 Estimated Fair Market Value	2015 Estimated Fair Market Value
Marketing/Advertising	\$ -	\$ 12,971
Rental	-	4,000
Software and Website	-	4,199
Administrative	2,575	2,792
CI	14,387	-
Volunteer	2,366	-
WB	400	-
Campaign	1,320	-
Dental	600	-
VITA	2,825	-
Total	\$ 24,473	\$ 23,962

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, 2016 and 2015

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, 2016 and 2015. The balance in temporarily restricted net assets at June 30, 2016 and 2015 was \$648,957 and \$657,165 respectively.

UNITED WAY OF WINDHAM COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016 and 2015

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, 2016 and 2015 was \$1,032 and \$1,906 respectively.

Note 2. PROPERTY AND EQUIPMENT

At June 30, 2016, 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	\$ 20,846	\$ 11,487	\$ 9,359
Total 2016	<u>\$ 20,846</u>	<u>\$ 11,487</u>	<u>\$ 9,359</u>
Total 2015	<u>\$ 24,005</u>	<u>\$ 19,434</u>	<u>\$ 4,571</u>

Note 3. FUND RAISING AND ADMINISTRATIVE EXPENSE RATIO

The United Way of Windham County, Inc.'s overhead ratio for June 30, 2016 and 2015 is 19.2% and 21.5% 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, 2016 and 2015

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, 2016 and 2015, actual bad debts on prior year pledges were \$20,000 and \$24,419 respectively. The amount of \$0 and \$17 were bad debts recoveries for the fiscal years ending June 30, 2016 and 2015 respectively.

Note 5. OFFICE LEASE

United Way of Windham County, Inc. leases its office space under a three year lease expiring March 1, 2019. The terms of the lease call for annual rent of:

Year ending June 30, 2017	\$ 15,276
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Prior to the execution of the written lease, the Organization had a verbal month-to-month arrangement. Annual rent expense was \$13,903 in 2016 and \$14,699 in 2015.

Note 6. DUE TO UNRELATED AGENCIES

The Organization held 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, 2016 and 2015 was \$0 and \$0 respectively.

Note 7. DATE OF MANAGEMENT REVIEW

Management has evaluated subsequent events through January 6, 2017, 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, 2016 and 2015

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 \$4,836 and \$3,937 for the years ending June 30, 2016 and 2015.

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>2016</u>	<u>2015</u>
Reserve Fund People's United-Designated	\$ 96,070	\$ 97,484
Undesignated	<u>(95,724)</u>	<u>(134,306)</u>
Total Unrestricted	<u>\$ 346</u>	<u>\$ (36,822)</u>

Note 10. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following as of June 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Current campaign revenue to be distributed in the subsequent year	\$ 405,939	\$ 411,679
Bequest to establish an endowment Fund	<u>243,018</u>	<u>245,486</u>
Total temporarily restricted net assets	<u>\$ 648,957</u>	<u>\$ 657,165</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, 2016 and 2015

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, 2016 and 2015 is as follows:

	6/30/16	6/30/15
Dental Clinic	\$ 9,300	\$ 10,965
Windham Foundation Grant-Working Bridges	-	5,000
State of Vermont Grant-Working Bridges	-	10,539
Thompson Trust Grant-Volunteer Coordination	-	13,337
FINRA Grant	17,556	-
Kids in Coats	20,537	-
Total	<u>\$ 47,393</u>	<u>\$ 39,841</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, 2016 is as follows:

	Cost	Market Value	Unrealized Appreciation
Cash	\$ 3,773	\$ 3,773	\$ -
Equity Mutual Funds	121,058	150,082	29,024
Bond Mutual Funds	89,560	89,163	(397)
Total 6/30/16	<u>\$ 214,391</u>	<u>\$ 243,018</u>	<u>\$ 28,627</u>
Total 6/30/15	<u>\$ 209,943</u>	<u>\$ 245,486</u>	<u>\$ 35,543</u>

Investment income activity at year end consists of the following:

	2016	2015
Unrealized gain	\$ (6,916)	\$ (9,494)
Realized gain	2,834	6,132
Interest	9	8
Dividends	4,359	4,621
Investment fees	(2,754)	(3,543)
	<u>\$ (2,468)</u>	<u>\$ (2,276)</u>

UNITED WAY OF WINDHAM COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016 and 2015

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, 2016 and 2015.

Note 14. 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, 2016.

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, 2014 through June 30, 2016. There were no income tax related interest or penalties incurred in 2016 or 2015.

Note 15. BOARD DESIGNATED ACCOUNTS

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

	<u>2016</u>	<u>2015</u>
Reserve Fund at People's United	\$ 96,070	\$ 97,484
Endowment Fund (Note 12)	243,018	245,486
	<u>\$ 339,088</u>	<u>\$ 342,970</u>

SUPPLEMENTARY INFORMATION

UNITED WAY OF WINDHAM COUNTY, INC.

SCHEDULE OF ALLOCATIONS AND INITIATIVES

June 30, 2016 and 2015

	2016	2015
AHS Direct Service Dollars	\$ 6,250	\$ 11,500
AIDS Project of Southern Vermont	2,500	3,000
Boys & Girls Club	2,500	-
Brattleboro Area Hospice	-	5,500
Brattleboro Senior Meals	2,500	2,500
CI Venture/Spark Fund	22,800	10,820
Denture Fund	6,345	2,950
Miscellaneous	500	-
Morningside Shelter	28,750	26,950
Our Place Drop In Center	-	5,400
Parks Place Community Resource Center	7,000	10,500
Prevent Child Abuse Vermont	10,000	7,500
Vermont 211	5,270	5,718
VITA Tax Prep	203	1,300
Windham Child Care – Education Incentive	13,000	13,000
Windham Childcare Association	20,000	19,150
Youth Services	20,000	31,500
Total Allocations	<u>\$ 147,618</u>	<u>\$ 157,288</u>