

UNITED WAY OF WINDHAM COUNTY, INC.

FINANCIAL STATEMENTS

Years Ended June 30, 2015 and 2014

UNITED WAY OF WINDHAM COUNTY, INC.

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June 30, 2015 and 2014

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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, 2015 and 2014, 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, 2015 and 2014, 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 18, 2015

UNITED WAY OF WINDHAM COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION
June 30, 2015 and 2014

	2015	2014
ASSETS		
CURRENT ASSETS		
Cash		
Unrestricted	\$ 121,658	\$ 82,902
Restricted for agencies allocation	67,328	67,135
In trust for unrelated agencies	1	39,688
Board designated accounts (Note 15)	342,970	344,874
Total cash	531,957	534,599
Accounts receivable	1,130	-
Pledges receivable (net of \$20,000 and \$20,000)	129,079	149,164
Prepaid expenses	12,253	4,017
 TOTAL CURRENT ASSETS	 674,419	 687,780
PROPERTY AND EQUIPMENT (Notes 1 and 2)		
Property and equipment	24,005	23,105
Less: accumulated depreciation	(19,434)	(17,528)
 Total property and equipment	 4,571	 5,577
 TOTAL ASSETS	 \$ 678,990	 \$ 693,357
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 2,204	\$ 9,102
Allocations Payable	11,880	22,250
Due to unrelated agencies (Note 6)	-	39,688
Accrued wages	4,722	4,538
Deferred Revenue (Note 11)	39,841	26,721
 TOTAL CURRENT LIABILITIES	 58,647	 102,299
NET ASSETS		
Unrestricted (Note 9)	(36,822)	(79,998)
Temporarily restricted (Note 10)	657,165	671,056
Permanently restricted	-	-
 TOTAL NET ASSETS	 620,343	 591,058
 TOTAL LIABILITIES AND NET ASSETS	 \$ 678,990	 \$ 693,357

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

UNITED WAY OF WINDHAM COUNTY, INC.

STATEMENTS OF ACTIVITIES
Years ended June 30, 2015 and 2014

	2015	2014
Unrestricted Net Assets:		
Unrestricted operating revenues and support:		
Temporarily restricted net assets released from restrictions due to satisfaction of terms	\$ 435,861	\$ 435,019
Denture Fund	1,000	-
Unrestricted Contributions	1,643	-
Interest	542	1,044
Special events	28,071	28,236
In kind revenue	23,962	9,767
	<u>491,079</u>	<u>474,066</u>
Allocations and functional expenses:		
Agency allocations and initiatives (See page 16)	157,288	250,703
Unallocated payments to national organization	4,183	3,884
	<u>161,471</u>	<u>254,587</u>
Functional expenses:		
Program services	185,648	145,326
Support services:		
Management and general	49,837	67,891
Fundraising	50,947	37,024
Total support services	<u>100,784</u>	<u>104,915</u>
Total functional expenses	<u>286,432</u>	<u>250,241</u>
Total allocations and functional expenses	<u>447,903</u>	<u>504,828</u>
Increase or (decrease) in unrestricted net assets from operations	<u>43,176</u>	<u>(30,762)</u>
Temporarily Restricted Net Assets:		
Contributions, current campaign	411,662	444,100
Recoveries of previous pledges not received	17	5,015
Less provision for pledges not received	(24,419)	(20,000)
Less donor designations	(14,418)	(26,696)
Grants, bequests and other revenue	49,128	65,274
Temporarily restricted net assets released from restrictions due to satisfaction of terms	<u>(435,861)</u>	<u>(435,019)</u>
Increase in temporarily restricted net assets	<u>(13,891)</u>	<u>32,674</u>
Increase or (decrease) in Net Assets	29,285	1,912
NET ASSETS, BEGINNING OF YEAR	<u>591,058</u>	<u>589,146</u>
NET ASSETS, END OF YEAR	<u>\$ 620,343</u>	<u>\$ 591,058</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	Supporting Services	
Salaries	\$ 93,214	\$ 31,153	\$ 29,286	\$ 60,439	\$ 153,653
Payroll taxes	8,279	2,007	2,258	4,265	12,544
Employee benefits	10,273	2,490	2,802	5,292	15,565
	<u>111,766</u>	<u>35,650</u>	<u>34,346</u>	<u>69,996</u>	<u>181,762</u>
Payroll Service Expense	298	72	81	153	451
Workers Compensation insurance	643	156	175	331	974
Training and professional development	663	98	109	207	870
Rent (Note 5)	9,701	2,352	2,646	4,998	14,699
Telephone	812	197	221	418	1,230
Software	10,113	629	707	1,336	11,449
Campaign Expenses	-	-	4,318	4,318	4,318
Campaign Public Relations	-	-	-	-	-
Office Supplies	1,506	291	328	619	2,125
Postage and delivery	1,296	314	354	668	1,964
Printing	953	231	259	490	1,443
Publication and subscriptions	28	7	8	15	43
Dues - other	349	85	95	180	529
Marketing	-	-	-	-	-
Travel	979	-	-	-	979
Meetings	1,565	96	110	206	1,771
Gifts given	-	-	-	-	-
Special events	10,951	-	-	-	10,951
Maintenance and repairs	396	96	108	204	600
Equipment Service Contracts	2,392	580	653	1,233	3,625
Audit/Accounting services	-	4,100	-	4,100	4,100
Bookkeeping services	1,288	1,933	1,933	3,866	5,154
Consulting Services	2,015	2,015	2,015	4,030	6,045
Bond Insurance	473	115	128	243	716
Directors & Officers liability insurance	964	234	263	497	1,461
Property/Casualty insurance	1,161	281	317	598	1,759
Credit Card fees	-	-	1,430	1,430	1,430
Bank fees	-	-	-	-	-
Disaster relief	-	-	-	-	-
Contracted services	-	-	-	-	-
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>	<u>284,526</u>
Depreciation expense	1,258	305	343	648	1,906
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.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2014

	Program Services	Supporting Services		Total
		General and Administrative	Fundraising	
Salaries	\$ 70,876	\$ 41,943	\$ 16,973	\$ 58,916
Payroll taxes	6,544	2,291	2,072	4,363
Employee benefits	9,825	3,439	3,111	6,550
	<u>87,245</u>	<u>47,673</u>	<u>22,156</u>	<u>69,829</u>
Payroll Service Expense	241	85	76	161
Workers Compensation insurance	576	202	183	385
Training and professional development	169	42	38	80
Rent (Note 5)	8,913	3,120	2,823	5,943
Telephone	676	237	214	451
Software	2,827	394	357	751
Campaign Expenses	-	-	2,788	2,788
Campaign Public Relations	-	-	546	546
Office Supplies	888	297	268	565
Postage and delivery	965	338	305	643
Printing	715	168	152	320
Publication and subscriptions	157	55	50	105
Dues - other	-	549	-	549
Marketing	13	-	1,230	1,230
Travel	1,743	49	45	94
Meetings	521	88	79	167
Gifts given	125	-	-	-
Special events	10,693	-	-	-
Maintenance and repairs	1,799	629	570	1,199
Equipment Service Contracts	1,272	445	403	848
Audit/Accounting services	-	3,900	-	3,900
Bookkeeping services	912	4,000	-	4,000
Consulting Services	1,126	394	357	751
Bond Insurance	430	150	136	286
Directors & Officers liability insurance	835	292	264	556
Property/Casualty insurance	876	307	277	584
Credit Card fees	-	-	1,326	1,326
Bank fees	-	13	-	13
Disaster relief	7,706	-	-	-
Contracted services	4,118	-	-	-
Miscellaneous expenses	2,332	1,856	21	1,877
In kind expense	5,860	2,051	1,856	3,907
	<u>143,733</u>	<u>67,334</u>	<u>36,520</u>	<u>103,854</u>
Depreciation expense	1,593	557	504	1,061
Total expenses	\$ 145,326	\$ 67,891	\$ 37,024	\$ 104,915
				<u>\$ 250,241</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, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 29,285	\$ 1,912
Adjustments to reconcile change in net assets to net cash (used) or provided by operating activities:		
Depreciation	1,906	2,654
Accounts receivable	(1,130)	2,299
Pledges receivable	20,085	(20,412)
Prepaid expenses	(8,236)	16,562
Accounts payable	(6,898)	6,393
Allocations payable	(10,370)	3,725
Due to unrelated agencies	(39,688)	(53,218)
Accrued expenses	184	2,657
Deferred revenue	13,120	6,051
Net cash (used) provided by operating activities	<u>(1,742)</u>	<u>(31,377)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment and leasehold improvements	<u>(900)</u>	<u>(3,430)</u>
Net cash (used) provided by investing activities	<u>(900)</u>	<u>(3,430)</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	(2,642)	(34,807)
CASH AND CASH EQUIVALENTS, BEGINNING	<u>534,599</u>	<u>569,406</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 531,957</u>	<u>\$ 534,599</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	\$ 23,962	\$ 9,767
In-kind expense	23,962	9,767

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

UNITED WAY OF WINDHAM COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015 and 2014

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, 2015 and 2014

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, 2015 and 2014 was \$23,962 and \$9,767 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>2015 Estimated Fair Market Value</u>	<u>2014 Estimated Fair Market Value</u>
Marketing/Advertising	\$ 12,971	\$ 2,340
Rental	4,000	2,955
Software and Website	4,199	2,500
Other	2,792	1,972
Total	<u>\$ 23,962</u>	<u>\$ 9,767</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, 2015 and 2014

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, 2015 and 2014. The balance in temporarily restricted net assets at June 30, 2015 and 2014 was \$657,165 and \$671,056 respectively.

UNITED WAY OF WINDHAM COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015 and 2014

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, 2015 and 2014 was \$1,906 and \$2,654 respectively.

Note 2. PROPERTY AND EQUIPMENT

At June 30, 2015, 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	\$ 24,005	\$ 19,434	\$ 4,571
Total 2015	<u>\$ 24,005</u>	<u>\$ 19,434</u>	<u>\$ 4,571</u>
Total 2014	<u>\$ 23,105</u>	<u>\$ 17,528</u>	<u>\$ 5,577</u>

Note 3. FUND RAISING AND ADMINISTRATIVE EXPENSE RATIO

The United Way of Windham County, Inc.'s overhead ratio for June 30, 2015 and 2014 is 21.5% and 21.7% 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, 2015 and 2014

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, 2015 and 2014, actual bad debts on prior year pledges were \$24,419 and \$20,000 respectively. The amount of \$17 and \$5,015 were bad debts recoveries for the fiscal years ending June 30, 2015 and 2014 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, 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 \$14,699 in 2015 and \$14,856 in 2014.

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, 2015 and 2014 was \$0 and \$39,688 respectively.

Note 7. DATE OF MANAGEMENT REVIEW

Management has evaluated subsequent events through December 18, 2015, 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, 2015 and 2014

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 \$3,937 and \$2,768 for the years ending June 30, 2015 and 2014.

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>2015</u>	<u>2014</u>
Reserve Fund People's United-Designated	\$ 97,484	\$ 97,918
Undesignated	<u>(134,306)</u>	<u>(177,916)</u>
Total unrestricted	<u>\$ (36,822)</u>	<u>\$ (79,998)</u>

Note 10. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following as of June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Current campaign revenue to be distributed in the subsequent year	\$ 411,679	\$ 424,100
Bequest to establish an endowment Fund	<u>245,486</u>	<u>246,956</u>
Total temporarily restricted net assets	<u>\$ 657,165</u>	<u>\$ 671,056</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, 2015 and 2014

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, 2015 and 2014 is as follows:

	6/30/15	6/30/14
Dental Clinic	\$ 10,965	\$ 9,035
Windham Foundation Grant-Working Bridges	5,000	-
State of Vermont Grant-Working Bridges	10,539	-
Thompson Trust Grant-Volunteer Coordination	13,337	17,686
Total	<u>\$ 39,841</u>	<u>\$ 26,721</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, 2015 is as follows:

	Cost	Market Value	Unrealized Appreciation
Cash	\$ 3,008	\$ 3,008	\$ -
Equity Mutual Funds	110,634	148,006	37,372
Bond Mutual Funds	96,301	94,472	(1,829)
Total 6/30/15	<u>\$ 209,943</u>	<u>\$ 245,486</u>	<u>\$ 35,543</u>
Total 6/30/14	<u>\$ 202,780</u>	<u>\$ 246,956</u>	<u>\$ 44,176</u>

Investment income activity at year end consists of the following:

	2015	2014
Unrealized gain	\$ (9,494)	\$ 27,603
Realized gain	6,132	1,587
Interest	8	3
Dividends	4,621	3,693
Investment fees	(3,543)	(2,914)
	<u>\$ (2,276)</u>	<u>\$ 29,972</u>

UNITED WAY OF WINDHAM COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015 and 2014

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, 2015 and 2014.

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, 2015.

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, 2012 through June 30, 2014. There were no income tax related interest or penalties incurred in 2015 or 2014.

Note 15. BOARD DESIGNATED ACCOUNTS

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

	<u>2015</u>	<u>2014</u>
Reserve Fund at People's United	\$ 97,484	\$ 97,918
Endowment Fund (Note 12)	<u>245,486</u>	<u>246,956</u>
	<u>\$ 342,970</u>	<u>\$ 344,874</u>

SUPPLEMENTARY INFORMATION

UNITED WAY OF WINDHAM COUNTY, INC.

SCHEDULE OF ALLOCATIONS AND INITIATIVES

June 30, 2015 and 2014

	2015	2014
AHS Direct Service Dollars	\$ 11,500	\$ 11,500
AIDS Project of Southern Vermont	3,000	5,000
Brattleboro Area Hospice	5,500	10,750
Brattleboro Senior Meals	2,500	3,500
CI Venture/Spark Fund	10,820	-
Denture Fund	2,950	-
Meeting Waters YMCA	-	9,000
Miscellaneous	-	50
Morningside Shelter	26,950	23,250
Our Place Drop In Center	5,400	9,180
Parks Place Community Resource Center	10,500	24,000
Prevent Child Abuse Vermont	7,500	9,000
SEVCA	-	25,940
The Gathering Place	-	5,600
Vermont 211	5,718	5,650
VITA Tax Prep	1,300	6,283
Windham and Windsor Housing Trust	-	28,000
Windham Child Care – Education Incentive	13,000	13,000
Windham Childcare Association	19,150	20,000
Windham College	-	9,000
Youth Services	31,500	32,000
Total Allocations	\$ 157,288	\$ 250,703

LEE A. WHITE & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANT

Lee A. White, CPA, CFP™, PFS



86 Summer Street
Barre, Vermont 05641

December 18, 2015

To the Senior Management and
The Board of Directors of
United Way of Windham County, Inc.

We have audited the financial statements of United Way of Windham County, Inc. for the year ended June 30, 2015, and have issued our report thereon dated December 18, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and OMB Circular A-133), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 3, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for selection and use of appropriate accounting policies. The significant accounting policies used by United Way of Windham County, Inc. are described in Note (1) to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ending June 30, 2015.

We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the allowance for Pledges receivable is based on prior history. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 18, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition of our retention.

This information is intended solely for the use of the Senior Management and the Board of Directors of United Way of Windham County, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Lee A. White & Associates

LEE A. WHITE & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANT

Lee A. White, CPA, CFP™, PFS



86 Summer Street
Barre, Vermont 05641

December 18, 2015

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

In planning and performing our audit of the financial statements of United Way of Windham County, Inc. as of and for the year ended June 30, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered United Way of Windham County, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, Board of Directors, and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

Lee A. White & Associates

Lee A. White & Associates
Barre, Vermont
December 18, 2015