

MONADNOCK UNITED WAY  
FINANCIAL STATEMENTS  
DECEMBER 31, 2017  
AND  
INDEPENDENT AUDITORS' REPORT



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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Monadnock United Way:

We have audited the accompanying financial statements of Monadnock United Way (a New Hampshire nonprofit organization) which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses and cash flows for the year 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.

### **Auditors' 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 require 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 auditors' 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 auditors consider 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 Monadnock United Way as of December 31, 2017 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Summarized Comparative Information**

We have previously audited the Monadnock United Way's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 11, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of Allocations to Agencies is presented for the 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.

*Oster & Wheeler, P.C.*

Keene, New Hampshire  
August 23, 2018

MONADNOCK UNITED WAY, INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2017  
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2016)

| <u>ASSETS</u>  | <u>2017</u>         | <u>2016</u>         |
|--|---------------------|---------------------|
| <b>CURRENT ASSETS:</b>   |                     |                     |
| Cash   | \$ 1,592,814        | \$ 1,024,001        |
| Marketable securities  | 170,530             | 778,045             |
| Pledges receivable, less allowance for uncollectible pledges<br>of \$75,000 as of December 31, 2017 and 2016 | 827,378             | 1,014,188           |
| Other current assets   | <u>20,910</u>       | <u>13,779</u>       |
| Total current assets   | <u>2,611,632</u>    | <u>2,830,013</u>    |
| <b>PROPERTY, PLANT AND EQUIPMENT, at cost:</b>   |                     |                     |
| Building and improvements  | 99,764              | 99,764              |
| Office furniture and equipment   | 75,170              | 73,552              |
| Land   | <u>4,430</u>        | <u>4,430</u>        |
|  | 179,364             | 177,746             |
| Less - Accumulated depreciation  | <u>167,920</u>      | <u>166,942</u>      |
| Net property, plant and equipment  | <u>11,444</u>       | <u>10,804</u>       |
| <b>OTHER ASSETS:</b>   |                     |                     |
| Website development  | 4,580               | -                   |
| Beneficial interest in foundation assets   | <u>289,399</u>      | <u>265,878</u>      |
| Total other assets   | <u>293,979</u>      | <u>265,878</u>      |
| Total assets   | <u>\$ 2,917,055</u> | <u>\$ 3,106,695</u> |
| <u>LIABILITIES AND NET ASSETS</u>  |                     |                     |
| <b>CURRENT LIABILITIES:</b>  |                     |                     |
| Unpaid allocations to agencies   | \$ 118,873          | \$ 93,119           |
| Deferred grant   | 20,532              | 82,404              |
| Accounts payable and accrued expenses  | <u>31,095</u>       | <u>38,937</u>       |
| Total current liabilities  | <u>170,500</u>      | <u>214,460</u>      |
| Total liabilities  | <u>170,500</u>      | <u>214,460</u>      |
| <b>NET ASSETS:</b>   |                     |                     |
| Unrestricted   |                     |                     |
| Board designated   | 652,895             | 652,895             |
| Undesignated   | <u>332,522</u>      | <u>384,342</u>      |
|  | 985,417             | 1,037,237           |
| Temporarily restricted   | <u>1,761,138</u>    | <u>1,854,998</u>    |
| Total net assets   | <u>2,746,555</u>    | <u>2,892,235</u>    |
| Total liabilities and net assets   | <u>\$ 2,917,055</u> | <u>\$ 3,106,695</u> |

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

MONADNOCK UNITED WAY, INC.  
STATEMENTS OF ACTIVITIES AND NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016)

|  | 2017              |                           |                     | 2016                |
|--|-------------------|---------------------------|---------------------|---------------------|
|  | Unrestricted      | Temporarily<br>Restricted | Totals              | Totals              |
| <b>CAMPAIGN SUPPORT AND REVENUE:</b>                                       |                   |                           |                     |                     |
| General campaign   | \$ 254,217        | \$ 1,500,915              | \$ 1,755,132        | \$ 2,071,625        |
| Less: Uncollectible pledges  | (51,942)          | (75,000)                  | (126,942)           | (105,853)           |
| Recovery of uncollectible pledges  | 19,614            | -                         | 19,614              | 28,084              |
| Net general campaign revenue   | 221,889           | 1,425,915                 | 1,647,804           | 1,993,856           |
| General campaign assets released from restriction                          | 1,561,331         | (1,561,331)               | -                   | -                   |
| Total campaign support and revenue   | <u>1,783,220</u>  | <u>(135,416)</u>          | <u>1,647,804</u>    | <u>1,993,856</u>    |
| <b>CAMPAIGN DISTRIBUTIONS AND<br/>FUNCTIONAL EXPENSES:</b>                 |                   |                           |                     |                     |
| Distributions:   |                   |                           |                     |                     |
| Agency allocations and designations  | 1,269,835         | -                         | 1,269,835           | 1,380,461           |
| Payments to affiliated organizations                                       | 16,008            | -                         | 16,008              | 28,049              |
| Total distributions  | <u>1,285,843</u>  | <u>-</u>                  | <u>1,285,843</u>    | <u>1,408,510</u>    |
| Program services:  |                   |                           |                     |                     |
| Community and relationship building  | 198,678           | -                         | 198,678             | 187,697             |
| Total program services   | <u>198,678</u>    | <u>-</u>                  | <u>198,678</u>      | <u>187,697</u>      |
| Support services:  |                   |                           |                     |                     |
| Management and general   | 75,079            | -                         | 75,079              | 71,379              |
| Campaign and communications  | 263,361           | -                         | 263,361             | 275,712             |
| Allocations and agency relations   | 61,861            | -                         | 61,861              | 59,970              |
| Total support services   | <u>400,301</u>    | <u>-</u>                  | <u>400,301</u>      | <u>407,061</u>      |
| Total functional expenses  | <u>598,979</u>    | <u>-</u>                  | <u>598,979</u>      | <u>594,758</u>      |
| Total campaign distributions and functional expenses                       | <u>1,884,822</u>  | <u>-</u>                  | <u>1,884,822</u>    | <u>2,003,268</u>    |
| Net loss from campaign activities  | <u>(101,602)</u>  | <u>(135,416)</u>          | <u>(237,018)</u>    | <u>(9,412)</u>      |
| <b>OTHER REVENUES AND EXPENSES:</b>  |                   |                           |                     |                     |
| Change in fair market value of beneficial<br>interest in foundation assets | 34,437            | -                         | 34,437              | 16,894              |
| Gifts in kind  | 4,160             | -                         | 4,160               | -                   |
| Investment income  | 2,955             | -                         | 2,955               | 2,174               |
| Unrealized loss on investments   | (1,649)           | -                         | (1,649)             | (495)               |
| Other contributions and bequests   | 29,745            | -                         | 29,745              | 29,403              |
| Community impact grants  | 118,874           | 18,035                    | 136,909             | 161,959             |
| Community impact expenditures  | (114,856)         | -                         | (114,856)           | (161,959)           |
| Grant income   | 1,090             | -                         | 1,090               | 2,980               |
| Other revenue  | -                 | -                         | -                   | 1,062               |
| Other expenditures   | (1,453)           | -                         | (1,453)             | (1,145)             |
| Foundation assets added to restriction                                     | (23,521)          | 23,521                    | -                   | -                   |
| Net other revenues and expenses  | <u>49,782</u>     | <u>41,556</u>             | <u>91,338</u>       | <u>50,873</u>       |
| Change in net assets   | (51,820)          | (93,860)                  | (145,680)           | 41,461              |
| Net assets, beginning of year  | <u>1,037,237</u>  | <u>1,854,998</u>          | <u>2,892,235</u>    | <u>2,850,774</u>    |
| Net assets, end of year  | <u>\$ 985,417</u> | <u>\$ 1,761,138</u>       | <u>\$ 2,746,555</u> | <u>\$ 2,892,235</u> |

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

MONADNOCK UNITED WAY  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016)

|  | <u>Management<br/>and General</u> | <u>Campaign and<br/>Communications</u> | <u>Allocations<br/>and Agency<br/>Relations</u> | <u>Community and<br/>Relationship<br/>Building</u> | <u>Totals<br/>2017</u> | <u>Totals<br/>2016</u> |
|--|-----------------------------------|--|---|--|------------------------|------------------------|
| Salaries and wages                             | \$ 37,934                         | \$ 142,252                             | \$ 31,204                                       | \$ 94,529  | \$ 305,919             | \$ 339,445             |
| Employee benefits                              | 5,473                             | 20,526                                 | 4,502   | 13,640   | 44,141                 | 28,750                 |
| Payroll taxes                                  | <u>3,484</u>                      | <u>13,063</u>                          | <u>2,865</u>                                    | <u>8,681</u>                                       | <u>28,093</u>          | <u>28,480</u>          |
| Total salaries and<br>related expenses         | 46,891                            | 175,841                                | 38,571  | 116,850  | 378,153                | 396,675                |
| Contracted services                            | 10,940                            | 41,026                                 | 9,000   | 27,262   | 88,228                 | 56,183                 |
| Professional fees                              | 2,618                             | 9,816                                  | 2,152   | 6,523  | 21,109                 | 21,088                 |
| Strategic planning                             | 4,000                             | 8,000                                  | 2,400   | 1,600  | 16,000                 | 45,320                 |
| Supplies                                       | 542                               | 2,031                                  | 445   | 1,350  | 4,368                  | 3,433                  |
| Telephone                                      | 338                               | 1,267                                  | 277   | 842  | 2,724                  | 2,503                  |
| Postage and shipping                           | 450                               | 1,688                                  | 370   | 1,122  | 3,630                  | 7,263                  |
| Occupancy                                      | 1,351                             | 5,067                                  | 1,111   | 3,367  | 10,896                 | 8,489                  |
| Printing and publications                      | 2,919                             | 10,947                                 | 2,402   | 7,274  | 23,542                 | 18,754                 |
| Travel   | 522                               | 1,957                                  | 429   | 1,301  | 4,209                  | 1,329                  |
| Conferences, meetings and<br>staff development | 2,963                             | 2,652                                  | 2,437   | 15,840   | 23,892                 | 17,287                 |
| Other  | <u>1,424</u>                      | <u>2,614</u>                           | <u>2,167</u>                                    | <u>15,044</u>                                      | <u>21,249</u>          | <u>12,983</u>          |
| Subtotal                                       | <u>74,958</u>                     | <u>262,906</u>                         | <u>61,761</u>                                   | <u>198,375</u>                                     | <u>598,000</u>         | <u>591,307</u>         |
| Depreciation                                   | <u>121</u>                        | <u>455</u>                             | <u>100</u>                                      | <u>303</u>   | <u>979</u>             | <u>3,451</u>           |
| Total  | <u>\$ 75,079</u>                  | <u>\$ 263,361</u>                      | <u>\$ 61,861</u>                                | <u>\$ 198,678</u>                                  | <u>\$ 598,979</u>      | <u>\$ 594,758</u>      |

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

MONADNOCK UNITED WAY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016)

|   | <u>2017</u>                | <u>2016</u>                |
|---|----------------------------|----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                            |                            |
| Change in net assets  | \$ <u>(145,680)</u>        | \$ <u>41,461</u>           |
| Adjustments to reconcile change in net assets to net cash flows from operating activities |                            |                            |
| Depreciation  | 979                        | 3,451                      |
| Unrealized loss on investments  | 1,649                      | 495                        |
| Increase in fair market value of beneficial interest                                      | (34,437)                   | (16,894)                   |
| (Increase) decrease in the following assets:  |                            |                            |
| Accounts receivable   | -                          | 7,313                      |
| Marketable securities   | 605,866                    | 454,237                    |
| Pledges receivable  | 186,810                    | 9,393                      |
| Other current assets  | (7,132)                    | (11,214)                   |
| Increase (decrease) in the following liabilities:   |                            |                            |
| Unpaid allocations to agencies  | 25,754                     | 90,319                     |
| Deferred grant  | (61,872)                   | 82,404                     |
| Accounts payable and accrued expenses   | <u>(7,842)</u>             | <u>19,605</u>              |
| Total adjustments   | <u>709,775</u>             | <u>639,109</u>             |
| Net cash flows from operating activities  | <u>564,095</u>             | <u>680,570</u>             |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                            |                            |
| Purchase of fixed assets  | (1,618)                    | -                          |
| Website development   | (4,580)                    | -                          |
| Distributions from beneficial interest in foundation assets                               | <u>10,916</u>              | <u>10,791</u>              |
| Net cash flows from investing activities  | <u>4,718</u>               | <u>10,791</u>              |
| <b>NET CHANGE IN CASH</b>   | 568,813                    | 691,361                    |
| <b>CASH, beginning of year</b>  | <u>1,024,001</u>           | <u>332,640</u>             |
| <b>CASH, end of year</b>  | \$ <u><u>1,592,814</u></u> | \$ <u><u>1,024,001</u></u> |

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

MONADNOCK UNITED WAY, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

1. Summary of significant accounting policies:

The Monadnock United Way (the Agency) is a volunteer agency dedicated to increasing the organized capacity of people to care for one another through these objectives:

- To develop financial and non-financial resources to meet human service needs in the Monadnock region.
- To allocate such resources effectively.
- To foster the spirit of volunteerism.
- To facilitate regional human service initiatives.
- To promote public awareness and understanding of the region's human service agencies and programs.

Accounting for contributions and financial statements presentation – The Organization presents its financial statements in accordance with Financial Accounting Standards Board (FASB) *Accounting Standards Codification (ASC) Topic 958 Not-For-Profit Entities*. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Non-cash contributions are recorded at fair value on date of donation. Income earned on net assets is reflected as a change in unrestricted net assets or temporarily or permanently restricted net assets in accordance with donor stipulations.

Amounts related to the Agency's financial position and activities are reported in three classes of net assets: permanently restricted, temporarily restricted and unrestricted.

Permanently restricted net assets have been restricted by donors to be maintained permanently. Generally, donors of these assets permit the Agency to use the income earned for general or restricted purposes.

Temporarily restricted net assets are those whose use has been limited by donors for a specific purpose or time period. When the donor restriction has been accomplished, temporarily restricted net assets are reclassified as unrestricted net assets in the statements of activities and changes in net assets. If a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as unrestricted.

Unrestricted net assets result from normal operating activities, gifts and bequests on which the donor has placed no restrictions, and (unless donor-imposed restrictions or state laws preclude) gains and losses on permanently restricted net assets.

Basis of accounting - Revenues and expenses are reported on the accrual basis of accounting. Under this basis, revenues, other than contributions, and expenses are reported when incurred without regard to the date of receipt or payment of cash. Contributions are reported in accordance with FASB ASC *Accounting for Contributions Received and Contributions Made*.

MONADNOCK UNITED WAY, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

Cash equivalents – For the purpose of the statement of cash flows, the Agency considers cash equivalents to be all highly liquid securities with an original maturity of three months or less.

Public support/revenue recognition – Annual campaigns are conducted to raise support for the subsequent calendar year. Campaign contributions and pledges are reported as temporarily restricted net assets for use in the subsequent year unless specifically restricted by the donor. Pledges are recognized as contributions when received. Donor designated contributions to non-United Way agencies are not recognized as campaign revenue.

Allowance for uncollectible pledges – The Agency maintains an allowance for uncollectible pledges based on an analysis of the most recent five year collection rate. The pledges receivable are written off in the subsequent year when there is a reasonable expectation that the previous campaign pledges will not be received.

Donated services and equipment – In connection with the annual fundraising campaign, various companies in the region donate employees' services to the Agency to coordinate campaign volunteers. Approximately 1,800 hours, for which no value has been assigned, were contributed in 2017 and 2016, respectively.

Depreciation – The Agency charges to functional expenses annual amounts of depreciation which allocate the cost of property, plant and equipment over their estimated useful lives. The Agency uses the straight-line method for computing depreciation. The ranges of the estimated useful lives used are:

|                                | <u>Years</u> |
|--------------------------------|--------------|
| Building and improvements      | 15 – 39      |
| Office furniture and equipment | 5 – 15       |

Repairs and maintenance are expensed when incurred while improvements are capitalized. Assets sold or otherwise disposed of are removed from the accounts, along with the related depreciation allowances, and any gain or loss is recognized. Assets donated to the Agency are capitalized at fair market value at the date of gift. The depreciation expense was \$979 and \$3,451 for the years 2017 and 2016, respectively.

Conditions which might impact the fair market value of the assets are reviewed from time to time to assess the need to record any impairment to the value of the assets. No impairment allowance has been recognized for either 2017 or 2016.

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.

MONADNOCK UNITED WAY, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

Grants – Grants are recognized as revenue at their fair value when there is a reasonable assurance that the grant will be received and the organization will comply with all stipulated conditions.

Grants are recognized as income in the year of receipt, except grants which are disbursed on a cost-reimbursement basis. Cost reimbursement grants are accrued to the extent related costs are incurred. Grants receivable are recognized based on actual cost incurred if the work as per the grant agreement has been performed and the cost is yet to be reimbursed. Grants which have been received and the grant activity is yet to be performed are recognized as deferred grants.

Income taxes – The Agency qualifies as exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. The Agency has evaluated its significant tax positions, including their tax exempt status, and determined that they do not need to recognize a liability for any uncertain tax positions for interest, penalties or potential taxes. Accordingly, no provision for income taxes is required. The Agency’s annual federal return filing (Form 990) and state filing (Form NHCT-2A) remain subject to examination by major tax jurisdictions for the standard three-year statute of limitations.

2. Concentration of credit risk – cash and cash equivalents:

As of December 31, 2017, the carrying amount of the Agency’s deposits was \$453,289 (\$484,739 in 2016) and the bank balances totaled \$1,543,754 (\$890,359 in 2016). Deposit balances not covered by federal depository insurance (current FDIC limit of \$250,000) totaled \$38,643 and \$47,635 as of December 31, 2017 and 2016, respectively.

3. Marketable securities:

The Agency’s investment assets are reported at fair value in the accompanying statement of financial position. FASB ASC 820, *Fair Value Measurements and Disclosures*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy consists of three broad levels:

- Level I – Quoted prices in active markets for identical assets
- Level II – Significant other observable inputs
- Level III – Significant unobservable inputs

Investments in equity securities with readily determinable fair values are reported at fair value (Level I input) with gains and losses included in the statement of activities. Contributed securities, which are generally not a significant item, are reported at fair market value on the date of donation and are converted as soon as practicable to liquid investments. Marketable securities consist of the following as of December 31:

MONADNOCK UNITED WAY, INC.  
NOTES TO FINANCIAL STATEMENTS  
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|                              | <u>2017</u>       | <u>2016</u>       |
|------------------------------|-------------------|-------------------|
| Government securities - cost | \$ 171,280        | \$ 171,280        |
| Money Market                 | 799               | 607,260           |
| Equities                     | 100               | -                 |
| Unrealized loss              | <u>(1,649)</u>    | <u>(495)</u>      |
| Market value                 | <u>\$ 170,530</u> | <u>\$ 778,045</u> |

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended December 31:

| <u>2017</u>                    | <u>Unrestricted</u> | Temporarily<br><u>Restricted</u> | <u>Total</u>   |
|--------------------------------|---------------------|----------------------------------|----------------|
| Interest                       | \$ 2,165            | \$ -                             | \$ 2,165       |
| Unrealized loss on investments | <u>(1,649)</u>      | <u>-</u>                         | <u>(1,649)</u> |
| Total investment return        | <u>\$ 516</u>       | <u>\$ -</u>                      | <u>\$ 516</u>  |

| <u>2016</u>                    | <u>Unrestricted</u> | Temporarily<br><u>Restricted</u> | <u>Total</u>    |
|--------------------------------|---------------------|----------------------------------|-----------------|
| Interest                       | \$ 2,100            | \$ -                             | \$ 2,100        |
| Unrealized loss on investments | <u>(495)</u>        | <u>-</u>                         | <u>(495)</u>    |
| Total investment return        | <u>\$ 1,605</u>     | <u>\$ -</u>                      | <u>\$ 1,605</u> |

4. Pledges receivable, net:

Pledges receivable consisted of the following as of December 31:

|   | <u>2017</u>       | <u>2016</u>         |
|---|-------------------|---------------------|
| Pledges receivable:                       |                   |                     |
| Prior year campaign                       | \$ 34,006         | \$ 62,620           |
| Current year campaign                     | <u>868,372</u>    | <u>1,026,568</u>    |
|   | 902,378           | 1,089,188           |
| Less: allowance for uncollectible pledges | <u>(75,000)</u>   | <u>(75,000)</u>     |
| Total                                     | <u>\$ 827,378</u> | <u>\$ 1,014,188</u> |

MONADNOCK UNITED WAY, INC.  
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Pledges of \$126,205 related to the prior campaign have been written off and adjusted against the allowance for uncollectable pledges.

5. Beneficial interest in assets held by others:

The Agency has a beneficial interest in assets held by the New Hampshire Charitable Foundation (NHCF). These assets are divided into two categories of funds referred to as donor designated funds and agency funds. The NHCF is the owner of these funds and by agreement maintains variance power over them. In accordance with *ASC 958-605-25 Recognition*, the source of these funds dictates how the Agency recognizes their interest in these assets.

Donor designated funds result from irrevocable contributions from unaffiliated donors to the NHCF for the benefit of the Agency. In accordance with accounting standards, the Agency does not report the fair market value of their interest in these funds on the statement of financial position, but rather recognizes distributions from the funds as investment income when received. The NHCF distributes income based on historical investment performance. The approximate fair market value of donor designated funds held by NHCF on behalf of the Monadnock United Way was \$843,781 and \$724,477, as of December 31, 2017 and 2016, respectively. Disbursements received from these funds totaled \$29,745 and \$29,403, for the years ended December 31, 2017 and 2016, respectively.

Agency funds were irrevocably transferred from the Agency to the NHCF, and the Agency designated itself as the beneficiary. In accordance with accounting standards, the Agency reports an asset on the statement of financial position for the fair market value of their interest in these funds, and the NHCF reports a corresponding liability. This is due to the fact that the Agency is the source and beneficiary of the funds. The Agency reduces the value of their interest in the agency fund when distributions are received, and reports the changes in fair market value of the fund on the statement of activities. The NHCF distributes income based on historical investment performance. The approximate fair market value of agency funds held by NHCF on behalf the Monadnock United Way was \$289,399 and \$265,878, as of December 31, 2017 and 2016, respectively. Disbursements received from these funds totaled \$10,916 and \$10,791 for the years ended December 31, 2017 and 2016, respectively.

MONADNOCK UNITED WAY, INC.  
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DECEMBER 31, 2017

6. Unrestricted net assets – board designated:

The Agency’s directors have designated a portion of the unrestricted net assets for specific purposes. The designated balances at December 31 are as follows:

|  | <u>2017</u>       | <u>2016</u>       |
|--|-------------------|-------------------|
| Equipment and capital expenditures         | \$ 121,342        | \$ 121,342        |
| Venture grants                             | 10,838            | 10,838            |
| Bequests designated for future allocations | 15,473            | 15,473            |
| Emergency assistance funds                 | <u>505,242</u>    | <u>505,242</u>    |
|  | \$ <u>652,895</u> | \$ <u>652,895</u> |

7. Restricted net assets:

Temporarily restricted net assets consist of contributions and pledges designated for future allocation periods, funds reserved for collaborative projects with other Monadnock Region agencies, and Agency investments held by the New Hampshire Charitable Foundation. The designated balances at December 31 are as follows:

|   | <u>2017</u>         | <u>2016</u>         |
|---|---------------------|---------------------|
| Contributions and pledges for future allocation periods | \$ 1,425,914        | \$ 1,561,331        |
| Beneficial interest in assets held by NHCF              | 289,399             | 265,878             |
| Community impact grants                                 | 17,180              | 17,180              |
| Special funds grants                                    | <u>28,645</u>       | <u>10,609</u>       |
|   | \$ <u>1,761,138</u> | \$ <u>1,854,998</u> |

The Agency had no permanently restricted net assets at December 31, 2017 and 2016.

8. Retirement plan:

The Agency maintains a section 403(b) retirement plan covering all employees with at least six months of service. Employees may defer any amount from one to six percent of compensation. The Agency matches 33% of employee elective deferrals. These matching contributions amounted to \$2,308 in 2017 (\$3,563 in 2016).

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9. Fundraising expenditures:

The Monadnock United Way made total fundraising expenditures of \$257,554 and \$275,712 for the years ended December 31, 2017 and 2016, respectively.

10. Subsequent events:

In preparing these financial statements, the Agency has evaluated events and transactions for potential recognition or disclosure through August 23, 2018, the date the financial statements were available to be issued. No events were noted for disclosure.

11. Reclassifications:

Certain items in the prior year financial statements have been reclassified to conform to the current year presentation. Net assets and changes in net assets are unchanged due to these reclassifications.

MONDANOCK UNITED WAY, INC.  
SCHEDULE OF ALLOCATIONS TO AGENCIES  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016)

|  | <u>2017</u>             | <u>2016</u>             |
|--|-------------------------|-------------------------|
| AGENCY ALLOCATIONS:                              |                         |                         |
| Big Brothers Big Sisters of New Hampshire        | \$ 69,500               | \$ 69,000               |
| Cheshire Housing Trust                           | 5,688                   | 6,375                   |
| The Community Kitchen                            | 64,250                  | 72,000                  |
| Contoocook Valley Transportation Company         | 13,310                  | 9,506                   |
| Granite State Children's Alliance                | 13,750                  | 25,000                  |
| Home Health Care, Hospice and Community Services | 72,500                  | 90,000                  |
| Hundred Nights                                   | 43,000                  | 50,000                  |
| Keene Day Care Center                            | 41,000                  | 42,000                  |
| Keene Housing Kids Collaborative                 | 4,107                   | -                       |
| Keene Senior Citizens Center                     | 17,850                  | 20,700                  |
| Mayhew   | 12,500                  | 12,500                  |
| MAPS Counseling Services                         | 45,000                  | 45,000                  |
| Monadnock Center for Violence Prevention         | 53,000                  | 60,000                  |
| Monadnock Community Early Learning Center        | 57,500                  | 65,000                  |
| Monadnock Developmental Services - PIH           | 25,250                  | 30,000                  |
| Monadnock Family Services                        | 189,501                 | 189,095                 |
| Monadnock Area Peer Support Agency               | 10,000                  | 10,000                  |
| New Hampshire Legal Assistance                   | 10,000                  | 10,000                  |
| New Hampshire Pro Bono Referral System           | 11,000                  | 12,000                  |
| Orchard School                                   | -                       | 23,589                  |
| RISE...For Baby and Family                       | 60,000                  | 65,000                  |
| Samaritans                                       | 27,750                  | 30,500                  |
| Southern New Hampshire Services                  | 54,000                  | 53,000                  |
| Southwestern Community Services                  | 135,104                 | 145,250                 |
| The River Center                                 | 39,025                  | 51,500                  |
| Walpole Village School                           | 5,000                   | 5,000                   |
| Winchester Learning Center                       | 56,675                  | 62,000                  |
| 2-1-1  | 15,000                  | 15,000                  |
| Home visiting program                            | 29,450                  | -                       |
| Donor - designated agencies                      | <u>89,125</u>           | <u>111,446</u>          |
| <br>Total agency allocations                     | <br>\$ <u>1,269,835</u> | <br>\$ <u>1,380,461</u> |