

**THE WINDMILL HILL
PINNACLE ASSOCIATION
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

ROBERT KIMBALL P.C.

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ACCOUNTANTS' REVIEW REPORT

Board of Directors of
The Windmill Hill Pinnacle Association
1915 Patch Road
Putney, VT 05346

I have reviewed the accompanying balance sheets of The Windmill Hill Pinnacle Association as of June 30, 2016 and June 30, 2015 and the related Statements of Receipts and Disbursements for the year ended June 30, 2016 and June 30, 2015 in accordance with standards established by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of The Windmill Hill Pinnacle Association.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an examination in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements and the supplementary information in order for them to be in conformity with generally accepted accounting principles.

Robert Kimball, CPA

Walpole, NH

December 23, 2016

THE WINDMILL HILL PINNACLE ASSOCIATION
Comparative Balance Sheet
Fiscal Years Ended June 30, 2016 and June 30, 2015

ASSETS

	<u>2016</u>	<u>2015</u>
CASH IN BANKS		
Cash on Hand	\$ 75.00	\$ 75.00
Cash in Bank - Checking	3,340.30	1,636.79
Cash in Bank - Bald Hill Account	5,744.92	5,369.92
Cash in Bank - Athens Dome	9,976.27	9,704.48
Total Cash	19,136.49	16,786.19
INVESTED FUNDS @ FMV	312,398.94	300,256.35
REAL ESTATE		
Land, Improvements & Appraisals	2,005,289.18	2,002,739.18
Land Deposits	-	0.00
Cabin	7,755.66	7,555.66
Signs and Mapping	55,013.67	55,013.67
Total Real Estate	2,068,058.51	2,065,308.51
OTHER ASSETS		
Organization Costs	210.00	210.00
Total Other Assets	210.00	210.00
TOTAL ASSETS	\$ 2,399,803.94	\$ 2,382,561.05

LIABILITIES & FUND BALANCE

LIABILITIES		
Notes Payable	\$ -	\$ -
Accounts Payable	1,250.00	1,275.00
Total Liabilities	1,250.00	1,275.00
EQUITY		
General Fund, Beginning of Year	2,139,043.72	2,130,660.94
Add: Receipts in Excess of Expenditures	17,055.32	10,682.78
Less: Transfer to Endowment & Restricted	(2,000.00)	(2,300.00)
Total General Fund	2,154,099.04	2,139,043.72
Unrealized Gains (Loss) on Investments		
Unrealized Gains & Losses Beginning of Year	2,242.33	10,302.86
Unrealized Gains for Year	212.57	(8,060.53)
Balance End of Year	2,454.90	2,242.33
PERMANENT & RESTRICTED FUNDS		
Endowment Fund	190,603.50	189,253.50
Jamie Latham Memorial Fund	46,476.50	45,876.50
Terry Brown Memorial Fund	1,650.00	1,650.00
Daniel Bump Memorial Fund	2,770.00	2,720.00
Helen Parkman Memorial Fund	500.00	500.00
Permanent & Restricted Funds	242,000.00	240,000.00
Total Equity	\$ 2,398,553.94	\$ 2,381,286.05
TOTAL LIABILITIES & FUND BALANCE	\$ 2,399,803.94	\$ 2,382,561.05

See accompanying notes and accountant's review report

THE WINDMILL HILL PINNACLE ASSOCIATION
Receipts
Fiscal Years Ended June 30, 2016 and June 30, 2015

RECEIPTS	<u>2016</u>	<u>2015</u>
Contributions:		
Jamie Latham Memorial Fund	\$ 600.00	\$ 1,000.00
Terry Brown Memorial Fund	0.00	100.00
Daniel Bump Memorial Fund	50.00	0.00
Endowment Fund	100.00	1,525.00
Nature Trail Fund	60.00	125.00
General Contributions	15,779.31	13,767.25
Memberships	455.00	595.00
Grants	6,263.86	0.00
Miscellaneous Memorial Funds	300.00	380.00
Contributions - Athens Dome Project	625.00	490.00
Contributions - Bald Hill	469.00	2,844.30
Fund Raising Receipts	442.00	805.00
Educational	135.00	365.00
Cabin Restoration	6,020.00	0.00
Land Purchase	1,000.00	950.00
Other	<u>608.18</u>	<u>0.00</u>
 Total Contributions	 32,907.35	 22,946.55
Investments:		
Short Term Capital Gain Distributions	177.70	383.05
Dividends	6,907.53	6,123.03
Long Term Capital Gain Distributions	1,080.83	601.72
Gain (Loss) on Sale of Investments	<u>3,172.34</u>	<u>5,968.86</u>
 Total Investment Income	 11,338.40	 13,076.66
Miscellaneous		
Interest Income on Land Deposit	0.00	843.48
Interest Income on Savings & Checking	2.31	2.12
Miscellaneous Income	<u>2.31</u>	<u>845.60</u>
 Total Miscellaneous	 2.31	 845.60
 TOTAL RECEIPTS	 <u><u>\$ 44,248.06</u></u>	 <u><u>\$ 36,868.81</u></u>

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THE WINDMILL HILL PINNACLE ASSOCIATION
Disbursements
Fiscal Years Ended June 30, 2016 and June 30, 2015

	<u>2016</u>	<u>2015</u>
DISBURSEMENTS		
Postage	43.16	0.00
Office Expense	10.13	0.00
Copying, Printing and Mailings	93.30	54.80
Property Tax	6,706.78	6,103.22
Celebration	0.00	0.00
Miscellaneous	267.27	335.57
Outside Services	4,220.00	2,000.00
Newsletter	152.40	1,268.12
Audit Fee	1,250.00	1,250.00
Legal Fees	0.00	0.00
Appraisals	0.00	0.00
Dues and Memberships	660.00	885.00
Trail Maintenance	517.01	1,701.51
Permit Fees	0.00	0.00
Outreach Expenses	4,487.34	1,590.34
Signs and Mapping	0.00	38.47
Land Costs & Easements	0.00	0.00
Insurance	5,000.00	4,801.00
Survey & Studies	0.00	0.00
Bald Hill Expenses	94.00	49.30
Investment Fees	908.38	0.00
Land Management Expenses	45.92	0.00
Road, Cabin and Trailhead Costs	1,183.84	1,622.00
Program Cost	1,200.00	3,140.89
Retreat Expenses	0.00	1,315.81
Athens Dome Expenses		
Miscellaneous - Athens Dome	0.00	30.00
Office Supplies - Athens Dome	0.00	0.00
Postage - Athens Dome	0.00	0.00
Print / Copy Athens Dome	14.40	0.00
Property Taxes - Athens Dome	338.81	0.00
Trail Maintenance - Athens Dome	0.00	0.00
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TOTAL DISBURSEMENTS	27,192.74	26,186.03
Less: Amounts Capitalized for Land, Signs Land and Easement	0.00	0.00
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Net Operating Costs	27,192.74	26,186.03
Receipts in Excess of Expenditures	<u>\$ 17,055.32</u>	<u>\$ 10,682.78</u>
FUND BALANCE INCREASES		
Restricted Fund	0.00	0.00
WHPA Stewardship	0.00	0.00
General Fund Increase	15,055.32	8,382.78
Endowment Fund	2,000.00	2,300.00
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TOTAL FUND BALANCE INCREASE	<u>\$ 17,055.32</u>	<u>\$ 10,682.78</u>

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THE WINDMILL HILL PINNACLE ASSOCIATION
 Realized Gains (Losses)
 Fiscal Year Ended June 30, 2016

SALE DATE	NAME	SHARES	SALE PRICE	COST PRICE	GAIN(LOSS)
July 21, 2015	Vanguard GNMA Portfolio	9372.071	100,000.00	99,379.10	620.90
September 24, 2015	Vanguard GNMA Portfolio	4201.680	4,500.00	4,455.52	44.48
June 23, 2016	Vanguard GNMA Portfolio	1388.889	15,000.00	14,740.41	259.59
July 10, 2015	Vanguard Inflation Protected Fund	3534.211	91,111.96	89,093.61	2,018.35
December 31, 2015	VT Comm Forundation & Mid Term Fund				5.10
June 30, 2016	VT Comm Foundation & Mid Term Fund				(8.52)
December 3, 2015	VT Comm Foundation & Socially Responsive				221.71
June 30, 2016	VT Comm Foundation & Socially Responsive				10.73
			210,611.96	207,668.64	3,172.34

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THE WINDMILL HILL PINNACLE ASSOCIATION
Schedule of Investments
Fiscal Years Ended June 30, 2016 and June 30, 2015

	Shares	2016	Cost	Unrealized Gain (Loss)	Shares	2015
Vanguard GNMA Portfolio	13276.609	144,051.21	140,912.21	3,139.00	14966.903	159,696.86
Vanguard GNMA - Cash	-	15,000.00	15,000.00	-	-	-
Vanguard Inflation Protected Fd	-	-	-	-	3534.211	91,394.70
Vanguard Total Stock Market Index	-	-	-	-	0.000	0.00
Vanguard Dividend Growth Fund	2291.947	53,654.48	52,586.73	1,067.75	2197.801	49,164.79
VT Comm. Foundation - Socially Responsive Fund	-	49,921.57	50,860.90	(939.33)	-	-
VT Comm Foundatoin - Mid Term Fund	-	49,771.68	50,584.20	(812.52)	-	-
TOTAL INVESTMENTS		<u>\$ 312,398.94</u>		<u>\$ 2,454.90</u>		<u>\$ 300,256.35</u>

See accompanying notes and accountant's review report

THE WINDMILL HILL PINNACLE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2016

1. ORGANIZATION:

The Windmill Hill Pinnacle Association (WHPA) is a Nonprofit Organization and is exempt from income Taxes under section 501©(3) of the Internal Revenue Code.

Principles of Accounting:

The Policy of the Association is to record all transactions on the accrual basis of accounting.

2. REVENUE RECOGNITION:

Membership income is recognized in the period in which the dues are collected. There is no membership year, it's a one time fee for a lifetime membership. The membership dues are considered contributions for tax purposes of the donor.

3. PROPERTY & TRAIL STRUCTURES:

Property & Trail Structures (footbridges and signs) are recorded at cost including site improvements, betterment's and cost of acquiring the property. Maintenance and upkeep are expensed as incurred.

4. ACQUISITION OF LAND:

On March 3, 2016, WHPA signed a Purchase and Sale agreement with Veronica Brelsford to acquire 37.4 acres in Westminster, Athens and Rockingham. Vermont Housing and Conservation Board (VHCB) awarded WHPA a grant on June 27, 2016 for \$68,820.00. The closing date is on or before February 2017.

5. STATISTICS:

WHPA's total acreage as of June 30, 2016 is 1845.15 (31 parcels in five towns) and there are 24.4 miles of trails. The parcel numbers include counts in both towns for split parcels.

6. PROGRAMS:

A series of guided walks on Pinnacle lands were held one to two weekends a month April through November. Led by Trustees and Advisors, the purpose of these "Weekend Strolls" is to acquaint the public with new or rarely used trails, point out special features of the area, and reinforce environmental values. The most popular of the walks this year was the one in May, led by forester Arthur Westing, to Vermont's Champion White Ash in all its leafy glory, coupled with a discussion of the factors making its record breaking success possible. The programs will continue in the 2016-2017 year.

Bad weather forced the cancellation this year of the annual Accessibility Day, when rides are provided to people who are unable to walk to the high points, which is held in late September. It will resume next year.

THE WINDMILL HILL PINNACLE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2016

The well attended Annual Meeting was held on April 24, 2016 at Main Street Arts, Saxtons River. It opened with a brief business meeting during which Chairperson Susan Roman summarized the highlights of the year. It then moved on to the program of the day, a talk by Richard Ewald of Westminster West on the cellar holes of the Pinnacle.

Many local schools used the Pinnacle and its ridgeline property for field trips, environmental studies, and the place where students performed community work projects such as improving trails and pulling up Glossy Buckthorn, an invasive species.

The Pinnacle Association continued the education program that got school children outdoors, on to the land and engaged with the natural world. The emphasis again was on working with third and fourth grade students, taking four field trips during the year, two in the fall, two in the spring, to a variety of sites on our conserved property. Providing leadership on the trip was a hired naturalist working for the The Nature Museum of Grafton together with two of the regular teachers familiar with the program from participation in it over the years. On each trip students focused on observing, listening, sketching, critical thinking, and writing. The topics meshed with existing curricula, directly tied to their classroom studies and State Standards. This program will be continuing in the upcoming school year.

7. MONITORING PROGRAM:

In the past, WHPA has actively monitored a variety of organism species residing on our lands. The program was not active during this fiscal year.

8. TRAIL AND PEAK IMPROVEMENTS:

PINNACLE RIDGE:

Trails are in good shape thanks to dedicated volunteer stewards who cleared trails of seasonal growth, debris, and downed trees. The hiking season extended well into the winter months due to unseasonable warm weather. Map boxes at the kiosks were kept well stocked, Pinnacle shelter swept and tidied, outhouse supplied with necessities, water bars cleaned out and restored, trail discs added and replaced where needed, old trail signs replaced. Volunteer time totaled over 600 hours. Trail Committee members and volunteers met regularly to discuss trail issues.

Both the Pinnacle and Paul's Ledges were treated to their annual brush cutting and clean up and views were cleared of new growth. The class 4 road to Paul's Ledges was improved to allow vehicle traffic for Accessibility Day. Pull offs and parking areas have been improved and perimeters marked for safer parking and access. Sunapee-Monadnock Viewpoint has been cleared of obstructing trees, invasives, and brush. Volunteers crafted a rustic bench where hikers may sit and enjoy the eastward view.

THE WINDMILL HILL PINNACLE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2016

ATHENS DOME:

During the year the Eagle Scouts completed decking the roof of the lean-to and put metal roofing on a portion of the roof. One fall hike and a cellar hole spring hike led by Dick Warren was held on Athens Dome land. Delivered donated kiosk built by volunteers to the Bear Hill trailhead on the Kidder Hill road for the Grafton Improvement Association. Numerous volunteers worked on a trail maintenance work day and improved the signage on the Athens Dome trails.

Cooperated with Vermont Agency of Natural Resources on creating a trail on the Turner Hill wildlife management area, helped the Grafton Improvement Association reroute the Bear Hill trail with Bill Brown and Paul Wilson, and continued persistently to work with Goodridges to resolve a property boundary issue. Also continued to following the ancient roads designation process in Grafton and issued a permission letter to VAST for winter snowmobile trail use.

BALD HILL:

Efforts to acquire that quarter-acre viewpoint, where a microwave reflector was formerly located, were begun this year. This in-holding within the Bald Hill Reserve is owned by a power company.

The Cemetery Road trailhead parking area, where the Main Trail and the Furry Valley Trail begin, is in quite good shape this fall after one trash clean-up visit. As intended, the area is being used for hiker's parking, and no longer used as a trash dump or a smokers' hang-out, thanks at least in part to periodic visits by the Westminster Town sheriff. The Underhill Trail has, with use by hikers, become a very pleasant addition to the network, well-trodden and smooth, not eroded like some of the old trails. It provides unique glimpses of the abrupt rise of Bald Hill from the plain. The gate on Cemetery Road was accidentally hit by a car. We have since purchased a new one and will be replacing it as soon as the High School maintenance worker lends us the key to remove the old one. Trash clean up went well this year, with the ravine also being thoroughly emptied of trash.

Bald Hill is actively recruiting new members. We are also planning on working a River and Trails grant over the winter. If received, this grant would provide technical support, consultation, feasibility assessment, grant writing, etc. to help us to continue to work on connecting the Bellows Falls historical society's water front property to the Bald Hill trails. We'd also like to link it to the new WHPA initiative to connect the Bald Hill trails to Saxtons River.

9. LAND MANAGEMENT:

No new management plans were written this year. Natural resource inventory work days were held 3 times with around 240 acres of Ridgeline land assessed. Invasive plant removal work days were held 4 times. Under the USDA NRCS grant program and two wildlife clearings were cut and a third started.

THE WINDMILL HILL PINNACLE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2016

10. DONATED SERVICES:

Multiple people donated multiple days of time with chainsaws to cut wildlife openings on the Pinnacle Ridge. The membership has donated and estimated 1,875 hours of service for committee meetings, administrative work, trail development in the Athens Dome and Bald Hill Reserve areas, eradication of invasive species, boundary maintenance, and annual maintenance at the Pinnacle's lean-to site and Paul's Ledges. The value of this work is estimated to be \$28,125 – calculated at \$15 per hour. The value of these improvements is not included in the financial statements. The financial statements reflect historical cost only.

11. ENDOWMENT:

The Endowment increased by \$2,000.00 to \$242,000.00. This is divided between donor designated at \$68,916.49 and the remaining \$173,083.51 is board designated.