

**United Way
of Greater Greensboro, Inc.**

Financial Statements
Years Ended June 30, 2011 and 2010



SMITH LEONARD
Accountants & Consultants



**United Way
of Greater Greensboro, Inc.**

Financial Statements
Years Ended June 30, 2011 and 2010

United Way of Greater Greensboro, Inc.

2010/2011 Officers and Board of Directors

Officers

John Cross	-	Chair of the Board
Sue W. Cole	-	Vice Chair and Secretary of the Board
Keith E. Barsuhn	-	President
Jeff Burgess	-	Treasurer
Jennifer L. J. Koenig	-	Legal Counsel

Board of Directors

Dr. Linda T. Adams	Darby Henley
Keith E. Barsuhn	Jennifer L. J. Koenig
Dr. Linda P. Brady	Kathi Lester
Dr. Janice G. Brewington	Lee McAllister
Tina Akers Brown	Bobby Mendez
Mike Bumpass	Ronald S. Milstein
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Sue W. Cole	Susan Shumaker
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Mona G. Edwards	Otis Wilson
Charles Flynt	Dr. Terry Worrell
Cecelia Foy-Dorsett	Kristen Yntema
Kim Gatling	Rashad Young
Michelle Gethers-Clark	

United Way of Greater Greensboro, Inc.

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Independent Auditors' Report

Board of Directors and Officers
United Way of Greater Greensboro, Inc.
Greensboro, North Carolina

We have audited the accompanying statements of financial position of United Way of Greater Greensboro, Inc. as of June 30, 2011 and 2010, and the related statements of activities, cash flows, and functional expenses for the years then ended. These financial statements are the responsibility of the Organization's management. 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Greater Greensboro, Inc. as of June 30, 2011 and 2010, and its changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Smith Leonard PLLC

September 26, 2011

United Way of Greater Greensboro, Inc.

Statements of Financial Position

June 30, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	\$ 398,017	\$ 230,901
Pledges receivable, net	3,627,135	3,892,462
Other receivables	310,074	365,128
Prepaid expenses	24,783	29,075
Investments	7,700,353	6,601,477
Beneficial interest in foundation assets	2,118,981	1,802,155
Cash surrender value of life insurance (\$500,000 face value)	114,729	114,893
Land, buildings and equipment, net	934,481	1,001,574
Total assets	\$ 15,228,553	\$ 14,037,665
Liabilities and Net Assets		
Accounts payable	\$ 99,486	\$ 57,680
Accrued expenses	46,808	50,879
Allocations and designations payable	7,398,624	7,437,427
Total liabilities	7,544,918	7,545,986
Commitments		
Net Assets:		
Unrestricted:		
Unappropriated	4,349,401	3,358,443
Board appropriated	734,595	784,004
Temporarily restricted	1,593,608	1,343,201
Permanently restricted	1,006,031	1,006,031
Total net assets	7,683,635	6,491,679
Total liabilities and net assets	\$ 15,228,553	\$ 14,037,665

See accompanying summary of significant accounting policies and notes to financial statements.

	Unrestricted	Temporarily Restricted
Support and revenue		
Gross campaign results	\$ 10,034,019	\$ 30,000
Less donor designation	(2,336,657)	-
Less provision for uncollectible	(34,134)	-
Net current campaign revenue	7,663,228	30,000
Contributions received – prior campaign	78,624	-
Contributions received – future campaign	-	374,364
Net campaign revenue	7,741,852	404,364
Net income on investments	823,035	14,376
Net income on beneficial interest in foundation assets	52,494	334,047
Designations – other community campaigns	262,406	-
Grant and gift revenue	1,051	28,526
Other revenue	205,941	10,000
Net assets released from restrictions	540,906	(540,906)
Total support and revenue	9,627,685	250,407
Functional expenses		
Allocations and grants	6,387,642	-
Other community programs	466,363	-
Administration	715,159	-
Fund development	1,116,972	-
Total functional expenses	8,686,136	-
Change in net assets	941,549	250,407
Net assets, beginning of year	4,142,447	1,343,201
Net assets, end of year	\$ 5,083,996	\$ 1,593,608

United Way of Greater Greensboro, Inc.

Statement of Activities

Year Ended June 30, 2011

Permanently Restricted	Total
\$ -	\$ 10,064,019
-	(2,336,657)
-	(34,134)
-	7,693,228
-	78,624
-	374,364
-	8,146,216
-	837,411
-	386,541
-	262,406
-	29,577
-	215,941
-	-
-	9,878,092
-	6,387,642
-	466,363
-	715,159
-	1,116,972
-	8,686,136
-	1,191,956
1,006,031	6,491,679
\$ 1,006,031	\$ 7,683,635

See accompanying summary of significant accounting policies and notes to financial statements.

	Unrestricted	Temporarily Restricted
Support and revenue		
Gross campaign results	\$ 10,618,162	\$ 248,327
Less donor designation	(2,731,797)	-
Less provision for uncollectible	(421,969)	-
Net current campaign revenue	7,464,396	248,327
Contributions received – prior campaign	29,437	-
Contributions received – future campaign	-	347,337
Net campaign revenue	7,493,833	595,664
Net income on investments	344,962	8,546
Net income on beneficial interest in foundation assets	22,576	194,535
Designations – other community campaigns	227,492	-
Grant and gift revenue	1,151	54,679
Other revenue	227,860	-
Net assets released from restrictions	707,558	(707,558)
Total support and revenue	9,025,432	145,866
Functional expenses		
Allocations and grants	6,186,354	-
Other community programs	743,049	-
Administration	829,517	-
Fund development	1,061,308	-
Total functional expenses	8,820,228	-
Change in net assets	205,204	145,866
Net assets, beginning of year	3,937,243	1,197,335
Net assets, end of year	\$ 4,142,447	\$ 1,343,201

United Way of Greater Greensboro, Inc.

Statement of Activities

Year Ended June 30, 2010

Permanently Restricted	Total
\$ -	\$ 10,866,489
-	(2,731,797)
-	(421,969)
-	7,712,723
-	29,437
-	347,337
-	8,089,497
-	353,508
-	217,111
-	227,492
-	55,830
-	227,860
-	-
-	9,171,298
-	6,186,354
-	743,049
-	829,517
-	1,061,308
-	8,820,228
-	351,070
1,006,031	6,140,609
<u>\$ 1,006,031</u>	<u>\$ 6,491,679</u>

See accompanying summary of significant accounting policies and notes to financial statements.

United Way of Greater Greensboro, Inc.

Statements of Cash Flows

Years Ended June 30, 2011 and 2010

	2011	2010
Cash flows from operating activities		
Change in net assets	\$ 1,191,956	\$ 351,070
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Transfer of beneficial interest	98,950	-
Provision for uncollectible pledges	53,834	421,969
Depreciation	85,077	79,876
Decrease (increase) in cash surrender value of life insurance	164	(884)
Net gain on investments including change in beneficial interest	(1,224,116)	(569,735)
Changes in assets and liabilities:		
Pledges receivable	211,493	193,191
Other receivables	55,054	43,826
Prepaid expenses	4,292	52,113
Accounts payable and accrued expenses	37,735	(40,908)
Allocations and designations payable	(38,803)	(672,638)
Net cash provided by (used in) operating activities	475,636	(142,120)
Cash flows from investing activities		
Purchase of investments	(4,994,959)	(2,094,633)
Proceeds from sale of investments	4,733,658	2,178,096
Investments in endowment	(100,000)	(40,549)
Cash payment from foundation for beneficial interest	70,765	79,982
Purchase of furniture and equipment	(17,984)	(98,125)
Proceeds from sale of equipment	-	6,000
Net cash provided by (used in) investing activities	(308,520)	30,771
Net change in cash and cash equivalents	167,116	(111,349)
Cash and cash equivalents, beginning of year	230,901	342,250
Cash and cash equivalents, end of year	\$ 398,017	\$ 230,901

See accompanying summary of significant accounting policies and notes to financial statements.

	Program Services		Total
	Allocations and Grants	Other Community Programs	
Allocations and awards	\$ 8,384,141	\$ 284,776	\$ 8,668,917
Less donor designations	(2,336,657)	-	(2,336,657)
Discretionary allocations	6,047,484	284,776	6,332,260
Salaries and contracted labor	207,052	116,641	323,693
Employee benefits	13,589	9,790	23,379
Payroll taxes	16,530	7,259	23,789
Total salaries and related costs	237,171	133,690	370,861
Support of state and national United Way	21,529	14,353	35,882
Fund raising materials and events	3,891	6,227	10,118
Printing, publications and advertising	45,516	79	45,595
Occupancy	7,324	4,883	12,207
Postage and shipping	546	318	864
Professional fees	2,080	1,386	3,466
Telephone and internet service	3,480	2,265	5,745
Rental and maintenance of equipment	3,924	2,616	6,540
Staff development	-	-	-
Local meetings	146	47	193
Travel	1,035	1,496	2,531
Membership dues and subscriptions	754	269	1,023
Sponsorship	-	5,450	5,450
Depreciation	12,762	8,508	21,270
Miscellaneous	-	-	-
Total other expenses	102,987	47,897	150,884
Total functional expenses	\$ 6,387,642	\$ 466,363	\$ 6,854,005

United Way of Greater Greensboro, Inc.

Statement of Functional Expenses

Year Ended June 30, 2011

Support Services			
Administration	Fund Development	Total	Total
\$ -	\$ -	\$ -	\$ 8,668,917
-	-	-	(2,336,657)
-	-	-	6,332,260
436,580	679,175	1,115,755	1,439,448
42,662	53,410	96,072	119,451
34,270	46,099	80,369	104,158
513,512	778,684	1,292,196	1,663,057
30,141	77,504	107,645	143,527
21,845	81,904	103,749	113,867
104	52,466	52,570	98,165
10,253	26,366	36,619	48,826
3,039	4,105	7,144	8,008
99,242	7,487	106,729	110,195
4,598	16,603	21,201	26,946
5,493	14,706	20,199	26,739
144	732	876	876
96	880	976	1,169
1,826	7,585	9,411	11,942
2,059	2,008	4,067	5,090
-	-	-	5,450
17,866	45,942	63,808	85,078
4,941	-	4,941	4,941
201,647	338,288	539,935	690,819
\$ 715,159	\$ 1,116,972	\$ 1,832,131	\$ 8,686,136

See accompanying summary of significant accounting policies and notes to financial statements.

	Program Services		Total
	Allocations and Grants	Other Community Programs	
Allocations and awards	\$ 8,581,603	\$ 572,588	\$ 9,154,191
Less donor designations	(2,731,797)	-	(2,731,797)
Discretionary allocations	5,849,806	572,588	6,422,394
Salaries and contracted labor	231,891	107,935	339,826
Employee benefits	28,408	11,549	39,957
Payroll taxes	18,126	7,494	25,620
Total salaries and related costs	278,425	126,978	405,403
Support of state and national United Way	21,212	13,636	34,848
Fund raising materials and events	2,821	5,886	8,707
Printing, publications and advertising	131	268	399
Occupancy	8,043	5,170	13,213
Postage and shipping	105	195	300
Professional fees	1,546	994	2,540
Telephone and internet service	6,155	3,456	9,611
Rental and maintenance of equipment	4,546	2,922	7,468
Staff development	428	292	720
Local meetings	204	261	465
Travel	542	1,123	1,665
Membership dues and subscriptions	729	261	990
Sponsorship	-	1,761	1,761
Depreciation	11,183	7,189	18,372
Miscellaneous	478	69	547
Total other expenses	58,123	43,483	101,606
Total functional expenses	\$ 6,186,354	\$ 743,049	\$ 6,929,403

United Way of Greater Greensboro, Inc.

Statement of Functional Expenses

Year Ended June 30, 2010

Support Services				
Administration	Fund		Total	Total
	Development			
\$ -	\$ -	\$ -	\$ -	\$ 9,154,191
-	-	-	-	(2,731,797)
-	-	-	-	6,422,394
527,824	632,531	1,160,355	1,500,181	
47,298	54,806	102,104	142,061	
33,529	49,157	82,686	108,306	
608,651	736,494	1,345,145	1,750,548	
34,849	81,819	116,668	151,516	
19,769	73,843	93,612	102,319	
267	27,780	28,047	28,446	
13,214	31,023	44,237	57,450	
4,099	6,502	10,601	10,901	
101,255	5,963	107,218	109,758	
8,374	25,026	33,400	43,011	
7,469	17,535	25,004	32,472	
3,486	1,796	5,282	6,002	
482	1,293	1,775	2,240	
1,988	7,916	9,904	11,569	
2,272	1,179	3,451	4,441	
-	-	-	1,761	
18,371	43,133	61,504	79,876	
4,971	6	4,977	5,524	
220,866	324,814	545,680	647,286	
\$ 829,517	\$ 1,061,308	\$ 1,890,825	\$ 8,820,228	

See accompanying summary of significant accounting policies and notes to financial statements.

United Way of Greater Greensboro, Inc.

Summary of Significant Accounting Policies

Organization

United Way of Greater Greensboro, Inc. (the “Organization”) is a nonprofit corporation with a mission to improve lives by mobilizing and uniting the caring power of the community. United Way is the leader in convening diverse people and organizations who bring the passion, expertise, and resources to address essential human service needs. United Way programs focus in the areas of education, income stability, and health, because these are the building blocks for a quality life.

The Organization organized and led our community’s second comprehensive needs assessment called *Voices. Choices. Greensboro’s Human Services Study*. The study was a way for the Greensboro community to set common goals and strategies around the human service issues that matter most. 1,746 voices were heard from the study, breathing life into four priorities:

- Improving the Financial Stability of Individuals and Families
- Access to Comprehensive Health Care Services
- Successful School Experiences for Every Child
- Nurturing Children and Youth for Positive Development

In response, the Organization is aligning its focus to support these new priorities. Community task forces are working to develop strategies in each of the four areas.

United Way of Greater Greensboro agencies submit funding applications that are reviewed by both staff and trained community volunteers. Funds are then allocated to 70 programs whose progress is evaluated on a bi-annual basis. The Organization also administers human service grants for the Joseph M. Bryan Foundation.

United Way of Greater Greensboro, Inc.

Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting. 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 subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or passage of time.
- Permanently restricted net assets – net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all of or part of the income earned on related investments for general or specified purposes.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Expirations of temporary restrictions (i.e. the donor-imposed stipulation has been fulfilled and/or the stipulation time period has elapsed) are reported as net assets released from restrictions on the statement of activities.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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. The Organization has made various estimates including those related to the allowance for uncollectible pledges.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

United Way of Greater Greensboro, Inc.

Summary of Significant Accounting Policies

Contributions and Pledges Receivable

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value on the date of the gift.

The Organization records the estimated fair value of cash or other financial assets received from donors in which the Organization is the beneficial owner but not the legal owner.

The Organization periodically manages the distribution of non-financial assets or receives non-financial assets for distribution to other nonprofit entities. The Organization does not recognize an asset or revenue for the non-financial assets received nor liabilities or expenses for assets distributed under these arrangements.

The ability of the Organization's contributors to continue giving amounts comparable with prior years is dependent upon current and future economic conditions and the continued deductibility for income tax purposes of contributions to the Organization. While the Organization's Board of Directors believes the Organization has the resources to continue its programs, its ability to do so and the extent to which it continues, may be dependent on the above factors.

Campaign pledge contributions receivable are generally paid within one year after the fiscal year-end. Allowances for uncollectible pledges are provided at the end of each campaign based on the Organization's collection history. The allowances are adjusted at the end of each year to reflect management's current estimates of collectability.

Concentration of Risk

Pledges receivable are primarily from individuals, businesses, or nonprofit foundations in the Greensboro and surrounding areas. Concentration of credit risk is limited due to the large number of donors comprising the Organization's donor base. As a result, at June 30, 2011 and 2010, the Organization does not consider itself to have a significant concentration of credit risk with respect to pledges receivable.

At various times throughout the year, the Organization may have cash balances in financial institutions which exceed the amounts which are federally insured.

United Way of Greater Greensboro, Inc.

Summary of Significant Accounting Policies

Investments

Investments are recorded at fair value. Gains and losses are reported as increases or decreases in unrestricted net assets in the statement of activities unless their use is restricted by explicit donor stipulations or law, in which case they are reported as increases or decreases in temporarily or permanently restricted net assets in the statement of activities depending upon the type of restriction. For funds managed by the Organization, the Organization's policy is to pool excess funds in investments which provide a greater expected return than bank savings accounts. Certain of the Organization's funds are managed by the Community Foundation of Greater Greensboro, Inc. (see Notes 3 and 4).

The Organization's investments are subject to market risk and are not federally insured. The Organization's investments do not have a significant concentration of credit risk within any industry, geographic location, or specific institution.

Fair Value of Financial Instruments

The carrying amount of cash, pledges receivable and accounts and allocations and designations payable approximates fair value because of the short maturity of those instruments.

Assets and liabilities carried at fair value are classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

The following are the assets and liabilities measured at fair value as of June 30, 2011:

	Level 1	Level 2	Level 3	Total
Investments	\$7,700,353	\$ -	\$ -	\$7,700,353
Beneficial interest in foundation assets	2,118,981	-	-	2,118,981
	\$9,819,334	\$ -	\$ -	\$9,819,334

United Way of Greater Greensboro, Inc.

Summary of Significant Accounting Policies

Fair Value of Financial Instruments (Concluded)

The following are the assets and liabilities measured at fair value as of June 30, 2010:

	Level 1	Level 2	Level 3	Total
Investments	\$6,601,477	\$ -	\$ -	\$6,601,477
Beneficial interest in foundation assets	1,802,155	-	-	1,802,155
	\$8,403,632	\$ -	\$ -	\$8,403,632

Property, Equipment and Depreciation

Property and equipment acquired before January 1, 1970 are carried at their estimated original cost or donated value, net of accumulated depreciation. All subsequent additions which exceed \$500 are carried at cost, net of accumulated depreciation. Depreciation is computed over the estimated useful lives of the buildings and equipment on the straight-line method over lives which range from 3 to 40 years.

Long-Lived Assets

Long-lived assets, such as property and equipment are evaluated for impairment when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable through the estimated undiscounted future cash flows from the use of the assets. When any such impairment exists, the related assets will be written down to fair value. No impairment charges were recorded in 2011 and 2010.

Allocations and Awards

The Organization allocates campaign funds annually to agencies serving the community. These allocations are recognized as liabilities at the time the commitments to pay them are made. In order to be eligible for the funds, these agencies must measure their results and achieve certain program outcomes that meet United Way objectives.

Donated Services

No amounts have been reflected in the financial statements for donated services. The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance, campaign solicitations and various committee assignments.

United Way of Greater Greensboro, Inc.

Summary of Significant Accounting Policies

Functional Allocation of Expenses

The costs of providing various programs are categorized on a functional basis. The majority of expenses generally can be directly identified with the program or supporting services to which they relate and are charged accordingly. Other expenses by function have been allocated among functions based on time and other studies which are performed on a periodic basis. The Organization categorizes these costs as follows:

Allocation and Grants: Activities related to agency relations and allocation processes.

Other Community Programs: Activities related to community issues.

Administration: Activities that are important to the Organization's existence, but do not fit into any other functions.

Fund Development: Activities related to appeals for financial support, such as workplace campaigns, managed campaigns and leadership events.

Income Taxes

The Organization is exempt from income taxes to the extent provided under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is included in the accompanying financial statements.

It is the Organization's policy to evaluate all tax positions and to identify any that may be considered uncertain. All identified material tax positions are assessed and measured by a "more-likely-than-not" threshold to determine if the tax position is uncertain and what, if any, the effect of the uncertain tax position may have on the consolidated financial statements. No material uncertain tax positions were identified for 2011 and 2010. Currently, the statute of limitations remains open subsequent to and including 2008; however, no examinations are in process or anticipated.

Subsequent Events

Management has evaluated events occurring subsequent to the balance sheet date through September 26, 2011, the date that the financial statements were available to be issued determining no events require adjustment to or additional disclosure in the financial statements.

United Way of Greater Greensboro, Inc.

Notes to Financial Statements

1. Pledges Receivable and Allowances for Uncollectible Pledges

Pledges receivable and the related allowances for uncollectible pledges are as follows:

<i>June 30,</i>	2011	2010
Pledges receivable from current year campaign	\$ 4,125,675	\$4,678,465
Pledges receivable for future campaigns	33,660	1,390
Allowance for uncollectible pledges	(532,200)	(787,393)
Total	\$ 3,627,135	\$3,892,462

The net charges to expense for uncollectible pledges consists of the following:

<i>Year ended June 30,</i>	2011	2010
Initial reserve (5% of campaign pledges in 2011 and 7% in 2010)	\$ 563,977	\$ 787,393
Write-offs from prior years' campaigns, net of collections of amounts previously written-off	(510,143)	(365,424)
	\$ 53,834	\$ 421,969

Included in the statements of activities as follows:

<i>Year ended June 30,</i>	2011	2010
Unrestricted (current and past campaigns)	\$ 34,134	\$ 421,969
Temporarily restricted (future campaign)	19,700	-
	\$ 53,834	\$ 421,969

United Way of Greater Greensboro, Inc.

Notes to Financial Statements

2. Investments

Investments, at fair value, consist of the following:

<i>June 30,</i>	2011	2010
Money market funds, at cost which approximates fair value	\$ 376,829	\$ 254,485
Other mutual funds (cost of \$360,606 and \$904,503)	437,289	979,704
Corporate bonds and U.S. Treasury notes (cost of \$4,404,141 and \$3,860,597)	4,416,617	3,924,782
Common stock (cost of \$2,328,628 and \$1,471,623)	2,469,618	1,442,506
Totals	\$7,700,353	\$6,601,477

Investment income including the return on amounts held by the Foundation (see Notes 3 and 4) consisted of the following:

<i>Year ended June 30, 2011</i>	<u>Investment Directed By</u>		Total
	Foundation	Organization	
Interest and dividends	\$ 18,465	\$ 238,784	\$ 257,249
Gain on investments carried at fair value	368,076	598,627	966,703
	\$ 386,541	\$ 837,411	\$ 1,223,952

<i>Year ended June 30, 2010</i>	<u>Investment Directed By</u>		Total
	Foundation	Organization	
Interest and dividends	\$ 29,314	\$ 183,242	\$ 212,556
Gain on investments carried at fair value	187,797	170,266	358,063
	\$ 217,111	\$ 353,508	\$ 570,619

3. Endowment Funds

The Organization's endowments are invested with the Community Foundation of Greater Greensboro, Inc. (see Note 4) or in managed accounts with other trustees at the discretion of the Board of Directors. Its endowments include both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

United Way of Greater Greensboro, Inc.

Notes to Financial Statements

3. Endowment Funds (Continued)

Investment and spending policies attempt to achieve a total return, through appreciation and income, greater than the rate of inflation. To achieve this in the long-term, the majority of assets are invested in equity or equity-like securities.

The Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) as requiring the preservation of the fair value of the original gift as of the gift date absent explicit donor stipulations to the contrary. The Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the donor gift instrument at the time the accumulation is added to the fund. The fair value of assets associated with individual donor-restricted endowment funds may fall below the level classified as permanently restricted. Deficiencies of this nature that are reported in unrestricted net assets amounted to \$0 as of June 30, 2011 and \$5,243 as of June 30, 2010. These deficiencies resulted from unfavorable market fluctuations. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Board of Directors in a manner consistent with the standard of prudence prescribed by UPMIFA.

The Organization annually determines an endowment payout percentage based upon a spending policy that considers both the needs of the Organization in carrying out its charitable purposes and the objective to maintain the purchasing power of the endowment assets held in perpetuity. This payout percentage is then applied to the average fair values of the endowment funds over the preceding twelve quarters to determine the endowment distributions to be received by the Organization. A distribution of 4.25% and 4.5% was received for 2011 and 2010.

United Way of Greater Greensboro, Inc.

Notes to Financial Statements

3. Endowment Funds (Continued)

At June 30, 2011, endowment net assets by type of fund comprised:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Board-designated endowment funds	\$ 282,680	\$ -	\$ -	\$ 282,680
Donor-restricted endowment funds	-	919,659	1,006,031	1,925,690
	\$ 282,680	\$ 919,659	\$ 1,006,031	\$ 2,208,370

The following summarizes changes in endowment net assets for the year ended June 30, 2011:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 234,552	\$ 638,541	\$ 1,006,031	\$ 1,879,124
Investment return:				
Investment income	7,628	12,188	-	19,816
Net change in value (realized and unrealized)	44,867	336,234	-	381,101
Total investment return	52,495	348,422	-	400,917
Contributions and transfers in	100,000	-	-	100,000
Appropriation of endowment assets	(5,417)	(67,304)	-	(72,721)
Transfer of beneficial interest	(98,950)	-	-	(98,950)
Endowment net assets, end of year	\$ 282,680	\$ 919,659	\$ 1,006,031	\$ 2,208,370

In 2011, a transfer to the Community Foundation of Greater Greensboro, Inc. amounting to \$98,950 was netted against grant and gift revenue in the statement of activities.

United Way of Greater Greensboro, Inc.

Notes to Financial Statements

3. Endowment Funds (Concluded)

At June 30, 2010, endowment net assets by type of fund comprised:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Board-designated endowment funds	\$ 239,795	\$ -	\$ -	\$ 239,795
Donor-restricted endowment funds	(5,243)	638,541	1,006,031	1,639,329
	\$ 234,552	\$ 638,541	\$ 1,006,031	\$ 1,879,124

The following summarizes changes in endowment net assets for the year ended June 30, 2010:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 209,587	\$ 480,557	\$ 1,006,031	\$ 1,696,175
Investment return:				
Investment income	8,888	25,983	-	34,871
Net change in value (realized and unrealized)	25,405	164,648	-	190,053
Total investment return	34,293	190,631	-	224,924
Contributions and transfers in	-	40,549	-	40,549
Appropriation of endowment assets	(9,328)	(73,196)	-	(82,524)
Endowment net assets, end of year	\$ 234,552	\$ 638,541	\$ 1,006,031	\$ 1,879,124

The following endowment funds are categorized as temporarily restricted:

<i>June 30,</i>	2011	2010
Neil Belenky Endowment	\$ 252,948	\$ 212,760
Growth in donor-restricted funds	666,711	425,781
	\$ 919,659	\$ 638,541

4. Beneficial Interest in Foundation Assets

The Organization is the beneficial owner of certain funds invested with the Community Foundation of Greater Greensboro, Inc. The beneficial interest is valued at the estimated fair value of the underlying assets held by the Foundation and was \$2,118,981 and \$1,802,155 at June 30, 2011 and 2010.

United Way of Greater Greensboro, Inc.

Notes to Financial Statements

5. Land, Buildings and Equipment

Land, buildings and equipment consist of the following:

<i>June 30,</i>	2011	2010
Land and improvements	\$ 220,812	\$ 220,812
Buildings and improvements	1,189,685	1,189,685
Furniture and equipment	573,913	617,891
	1,984,410	2,028,388
Less accumulated depreciation	1,049,929	1,026,814
Land, buildings and equipment, net	\$ 934,481	\$1,001,574

6. Restricted Net Assets

Temporarily restricted net assets consist of or are available for the following purposes:

<i>June 30,</i>	2011	2010
Growth in donor-restricted endowment funds	\$ 666,711	\$ 425,781
Contributions received for next year's campaign	374,364	347,337
Neil Belenky Endowment	252,948	212,760
Thriving at Three Educational Grant	215,041	255,791
Legacy Society Growth and Development	43,779	64,300
211 Expansion Plan	19,880	10,000
Latino Professional Forum	10,849	22,400
Voices Choices Collaboration	8,006	2,802
Operation Greensboro Cares	2,030	2,030
	\$ 1,593,608	\$ 1,343,201

Permanently restricted net assets consist of or are available for the following purposes:

<i>June 30,</i>	2011	2010
Joseph Bryan Endowment	\$ 500,000	\$ 500,000
Herman Cone Endowment	408,602	408,602
Jeanette Cone Trust	50,000	50,000
Lawrence Cohen Emergency Fund	47,429	47,429
	\$ 1,006,031	\$ 1,006,031

United Way of Greater Greensboro, Inc.

Notes to Financial Statements

- 7. Governmental Campaigns** The Organization manages Federal and other governmental campaigns. Pledge donations recognized from these campaigns and included in gross campaign results was approximately \$460,000 and \$991,000 for 2011 and 2010. Management fees earned in 2011 and 2010 was approximately \$25,000 and \$102,000 and are included in other revenue.

- 8. Retirement Plan** The Organization makes a base contribution equal to 3% of compensation under a 403(b) Thrift Plan. In addition, the Organization makes a matching contribution equal to the lesser of 50% of the salary reduction amount the employee is contributing or 3% of compensation. Retirement plan contributions by the Organization were approximately \$39,000 and \$54,000 during 2011 and 2010.