

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

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**Financial Statements**  
Years Ended June 30, 2014 and 2013



**SMITH LEONARD**  
Accountants & Consultants



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

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**Financial Statements**  
Years Ended June 30, 2014 and 2013

# United Way of Greater Greensboro, Inc.

## 2013/2014 Officers and Board of Directors

### Officers

Judith A. Schanel	-	Chair of the Board
M. Daniel McGinn	-	Secretary of the Board and Legal Counsel
Michelle Gethers-Clark	-	President
Terry W. Simon	-	Treasurer

### Board of Directors

Marc Adams	Murray S. Kessler
Jason Bohrer	Kathi Lester
Tina Akers Brown	Dr. Samantha Magill
Dan Burdett	Dr. Harold L. Martin
Pete Callahan	M. Daniel McGinn
Sue W. Cole	Rich Newman
Mary Wood Copeland	Kent Price
Mike Diamond	Brad Rable
Mae Douglas	Dr. Edward A. Robinson
Mona G. Edwards	Judith A. Schanel
Dr. Beth Folger	Martin S. Schneider
Kimberly B. Gatling	Susan F. Shumaker
Michelle Gethers-Clark	Terry W. Simon
Regina Howard Glaspie	Aaron Strasser
Robin Hager	Jim Westmoreland
Mary Margaret Hart	Sue D. White
Jeff Johnson	Benjamin Zuraw

# United Way of Greater Greensboro, Inc.

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## **Independent Auditor's Report**

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

We have audited the accompanying financial statements of United Way of Greater Greensboro, Inc., which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities, cash flows and functional expenses for the years then ended, and the related summary of significant accounting policies and 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 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 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 Greater Greensboro, Inc. as of June 30, 2014 and 2013, 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.

*Smith Leonard PLLC*

High Point, North Carolina  
October 2, 2014

# United Way of Greater Greensboro, Inc.

## Statements of Financial Position

June 30, 2014 and 2013

	2014	2013
<b>Assets</b>		
Cash and cash equivalents	\$ 414,371	\$ 492,668
Pledges receivable, net	3,715,032	4,852,702
Other receivables	226,345	274,809
Prepaid expenses	33,064	21,825
Investments	8,492,416	7,630,729
Beneficial interest in foundation assets	2,540,976	2,152,065
Cash surrender value of life insurance (\$700,000 face value)	117,829	119,064
Land, buildings and equipment, net	845,226	918,886
<b>Total assets</b>	<b>\$ 16,385,259</b>	<b>\$ 16,462,748</b>
<b>Liabilities and Net Assets</b>		
Accounts payable	\$ 104,737	\$ 111,235
Accrued expenses	84,983	43,604
Allocations and designations payable	7,304,812	7,783,306
<b>Total liabilities</b>	<b>7,494,532</b>	<b>7,938,145</b>
<b>Commitments</b>		
<b>Net Assets:</b>		
Unrestricted:		
Unappropriated	5,169,558	4,862,414
Board appropriated	578,866	614,032
Temporarily restricted	2,136,272	2,042,126
Permanently restricted	1,006,031	1,006,031
<b>Total net assets</b>	<b>8,890,727</b>	<b>8,524,603</b>
<b>Total liabilities and net assets</b>	<b>\$ 16,385,259</b>	<b>\$ 16,462,748</b>

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

# United Way of Greater Greensboro, Inc.

## Statement of Activities

Year Ended June 30, 2014  
With Summarized Information for 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2014	Total 2013
<b>Support and revenue</b>					
Gross campaign results	\$ 9,183,051	\$ 193,939	\$ -	\$ 9,376,990	\$ 9,695,938
Less donor designations	(2,271,920)	-	-	(2,271,920)	(2,998,300)
Less provision for uncollectible	(244,725)	-	-	(244,725)	(278,506)
Net current campaign revenue	6,666,406	193,939	-	6,860,345	6,419,132
Campaign revenue – prior campaign	228	-	-	228	1,285
Campaign revenue – future campaign, net	-	432,503	-	432,503	1,421,284
Net campaign revenue	6,666,634	626,442	-	7,293,076	7,841,701
Net income from investments	795,022	12,370	-	807,392	513,332
Net income from beneficial interest in foundation assets	58,190	336,459	-	394,649	256,009
Designations – other community campaigns	218,177	-	-	218,177	244,861
Grant and gift revenue	75,000	33,048	-	108,048	26,215
Other revenue	115,770	-	-	115,770	99,230
Net assets released from restrictions	914,173	(914,173)	-	-	-
<b>Total support and revenue</b>	<b>8,842,966</b>	<b>94,146</b>	<b>-</b>	<b>8,937,112</b>	<b>8,981,348</b>
<b>Functional expenses</b>					
Allocations and grants	5,627,801	-	-	5,627,801	5,707,616
Other community programs	1,152,532	-	-	1,152,532	921,673
Administration	1,124,149	-	-	1,124,149	1,093,353
Fund development	666,506	-	-	666,506	790,257
<b>Total functional expenses</b>	<b>8,570,988</b>	<b>-</b>	<b>-</b>	<b>8,570,988</b>	<b>8,512,899</b>
<b>Change in net assets</b>	<b>271,978</b>	<b>94,146</b>	<b>-</b>	<b>366,124</b>	<b>468,449</b>
<b>Net assets, beginning of year</b>	<b>5,476,446</b>	<b>2,042,126</b>	<b>1,006,031</b>	<b>8,524,603</b>	<b>8,056,154</b>
<b>Net assets, end of year</b>	<b>\$ 5,748,424</b>	<b>\$ 2,136,272</b>	<b>\$ 1,006,031</b>	<b>\$ 8,890,727</b>	<b>\$ 8,524,603</b>

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



# United Way of Greater Greensboro, Inc.

## Statement of Activities

Year Ended June 30, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Support and revenue</b>				
Gross campaign results	\$ 9,293,167	\$ 402,771	\$ -	\$ 9,695,938
Less donor designations	(2,998,300)	-	-	(2,998,300)
Less provision for uncollectible	(278,506)	-	-	(278,506)
Net current campaign revenue	6,016,361	402,771	-	6,419,132
Campaign revenue – prior campaign	1,285	-	-	1,285
Campaign revenue – future campaign, net	-	1,421,284	-	1,421,284
Net campaign revenue	6,017,646	1,824,055	-	7,841,701
Net income from investments	507,671	5,661	-	513,332
Net income from beneficial interest in foundation assets	34,645	221,364	-	256,009
Designations – other community campaigns	244,861	-	-	244,861
Grant and gift revenue	-	26,215	-	26,215
Other revenue	99,230	-	-	99,230
Net assets released from restrictions	1,894,773	(1,894,773)	-	-
<b>Total support and revenue</b>	<b>8,798,826</b>	<b>182,522</b>	<b>-</b>	<b>8,981,348</b>
<b>Functional expenses</b>				
Allocations and grants	5,707,616	-	-	5,707,616
Other community programs	921,673	-	-	921,673
Administration	1,093,353	-	-	1,093,353
Fund development	790,257	-	-	790,257
<b>Total functional expenses</b>	<b>8,512,899</b>	<b>-</b>	<b>-</b>	<b>8,512,899</b>
<b>Change in net assets</b>	<b>285,927</b>	<b>182,522</b>	<b>-</b>	<b>468,449</b>
<b>Net assets, beginning of year</b>	<b>5,190,519</b>	<b>1,859,604</b>	<b>1,006,031</b>	<b>8,056,154</b>
<b>Net assets, end of year</b>	<b>\$ 5,476,446</b>	<b>\$ 2,042,126</b>	<b>\$ 1,006,031</b>	<b>\$ 8,524,603</b>

*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, 2014 and 2013

	2014	2013
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 366,124	\$ 468,449
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Provision for uncollectible pledges	245,740	344,797
Depreciation	79,117	81,435
Loss (gain) on disposal of fixed assets	251	(4,733)
Net gain on investments including change in beneficial interest	(1,202,041)	(769,341)
Contribution restricted for investment in endowment	(75,000)	-
Changes in assets and liabilities:		
Pledges receivable	891,930	(1,363,928)
Other receivables	48,464	2,347
Prepaid expenses	(11,239)	(3,275)
Accounts payable and accrued expenses	34,881	22,850
Allocations and designations payable	(478,494)	855,576
<b>Net cash used in operating activities</b>	<b>(100,267)</b>	<b>(365,823)</b>
<b>Cash flows from investing activities</b>		
Purchase of investments	(3,483,082)	(6,094,087)
Proceeds from sale of investments	3,430,022	6,689,168
Payment from foundation	80,738	79,882
Purchase of furniture and equipment	(5,708)	(52,036)
Proceeds from sale of fixed assets	-	12,000
<b>Net cash provided by investing activities</b>	<b>21,970</b>	<b>634,927</b>
<b>Net change in cash and cash equivalents</b>	<b>(78,297)</b>	<b>269,104</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>492,668</b>	<b>223,564</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 414,371</b>	<b>\$ 492,668</b>

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

	Program Services		Total
	Allocations and Grants	Other Community Programs	
Allocations and awards	\$ 7,869,938	\$ 494,826	\$ 8,364,764
Less donor designations	(2,271,920)	-	(2,271,920)
<b>Discretionary allocations</b>	<b>5,598,018</b>	<b>494,826</b>	<b>6,092,844</b>
Salaries and contracted labor	20,418	460,761	481,179
Employee benefits	2,490	47,182	49,672
Payroll taxes	1,628	33,643	35,271
<b>Total salaries and related costs</b>	<b>24,536</b>	<b>541,586</b>	<b>566,122</b>
Support of state and national United Way	1,543	33,510	35,053
Professional fees	187	4,074	4,261
Fund raising materials and events	328	10,012	10,340
Depreciation	931	20,213	21,144
Occupancy	732	15,890	16,622
Printing, publications and advertising	622	16,298	16,920
Telephone and internet service	238	2,147	2,385
Rental and maintenance of equipment	218	4,734	4,952
Staff development	302	6,224	6,526
Postage and shipping	58	753	811
Travel	31	918	949
Membership dues and subscriptions	25	286	311
Local meetings	32	646	678
Sponsorship	-	415	415
Miscellaneous	-	-	-
<b>Total other expenses</b>	<b>5,247</b>	<b>116,120</b>	<b>121,367</b>
<b>Total functional expenses</b>	<b>\$ 5,627,801</b>	<b>\$ 1,152,532</b>	<b>\$ 6,780,333</b>

# United Way of Greater Greensboro, Inc.

## Statement of Functional Expenses

Year Ended June 30, 2014

Support Services			
Administration	Fund Development	Total	Total
\$ -	\$ -	\$ -	\$ 8,364,764
-	-	-	(2,271,920)
-	-	-	6,092,844
675,126	451,349	1,126,475	1,607,654
66,149	35,070	101,219	150,891
52,366	33,528	85,894	121,165
793,641	519,947	1,313,588	1,879,710
63,279	32,829	96,108	131,161
101,559	3,991	105,550	109,811
32,016	36,929	68,945	79,285
38,170	19,803	57,973	79,117
30,008	15,568	45,576	62,198
15,776	12,328	28,104	45,024
19,600	2,049	21,649	24,034
8,940	4,638	13,578	18,530
8,173	3,048	11,221	17,747
4,362	4,572	8,934	9,745
1,804	4,365	6,169	7,118
1,867	428	2,295	2,606
23	11	34	712
-	-	-	415
4,931	6,000	10,931	10,931
330,508	146,559	477,067	598,434
\$ 1,124,149	\$ 666,506	\$ 1,790,655	\$ 8,570,988

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

	Program Services		Total
	Allocations and Grants	Other Community Programs	
Allocations and awards	\$ 8,609,494	\$ 395,987	\$ 9,005,481
Less donor designations	(2,998,300)	-	(2,998,300)
<b>Discretionary allocations</b>	<b>5,611,194</b>	<b>395,987</b>	<b>6,007,181</b>
Salaries and contracted labor	66,637	312,415	379,052
Employee benefits	6,338	28,338	34,676
Payroll taxes	4,687	22,022	26,709
<b>Total salaries and related costs</b>	<b>77,662</b>	<b>362,775</b>	<b>440,437</b>
Support of state and national United Way	6,224	28,686	34,910
Professional fees	656	3,024	3,680
Fund raising materials and events	1,082	9,242	10,324
Depreciation	3,746	17,264	21,010
Occupancy	2,846	13,116	15,962
Printing, publications and advertising	268	71,289	71,557
Telephone and internet service	1,187	5,335	6,522
Rental and maintenance of equipment	870	4,008	4,878
Staff development	1,145	5,206	6,351
Postage and shipping	91	569	660
Travel	383	1,894	2,277
Membership dues and subscriptions	190	756	946
Local meetings	72	335	407
Sponsorship	-	2,187	2,187
Miscellaneous	-	-	-
<b>Total other expenses</b>	<b>18,760</b>	<b>162,911</b>	<b>181,671</b>
<b>Total functional expenses</b>	<b>\$ 5,707,616</b>	<b>\$ 921,673</b>	<b>\$ 6,629,289</b>

# United Way of Greater Greensboro, Inc.

## Statement of Functional Expenses

Year Ended June 30, 2013

Support Services			
Administration	Fund Development	Total	Total
\$ -	\$ -	\$ -	\$ 9,005,481
-	-	-	(2,998,300)
-	-	-	6,007,181
633,543	505,725	1,139,268	1,518,320
55,118	38,331	93,449	128,125
48,743	35,295	84,038	110,747
737,404	579,351	1,316,755	1,757,192
52,365	48,036	100,401	135,311
167,402	5,063	172,465	176,145
30,084	55,069	85,153	95,477
31,515	28,909	60,424	81,434
23,944	21,964	45,908	61,870
4,767	11,675	16,442	87,999
10,423	10,498	20,921	27,443
7,316	7,661	14,977	19,855
13,556	5,710	19,266	25,617
3,190	3,287	6,477	7,137
2,756	6,108	8,864	11,141
2,924	717	3,641	4,587
122	209	331	738
-	-	-	2,187
5,585	6,000	11,585	11,585
355,949	210,906	566,855	748,526
\$ 1,093,353	\$ 790,257	\$ 1,883,610	\$ 8,512,899

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 (the “Organization”) is a nonprofit organization that creates relevant solutions to the community's most critical issues so that everyone has opportunities for a better quality of life. Through community partnerships, the Organization helps children and young people to succeed in school and in life, offers financial stability for individuals and families, and empowers all to lead a healthy life. The Organization works with community partners to identify Greater Greensboro’s most critical human service needs, then implement solutions that create measurable change. The Organization mobilizes and unites passion, expertise and resources in the community and invests in effective programs to achieve these solutions and improve lives daily.

### 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.

# United Way of Greater Greensboro, Inc.

## Summary of Significant Accounting Policies

### **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. The Organization has made various estimates including those related to the allowance for uncollectible pledges. Actual results could differ from those and other estimates.

### **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.

### **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.



# United Way of Greater Greensboro, Inc.

## Summary of Significant Accounting Policies

**Contributions and Pledges Receivable (Concluded)** Campaign pledge contributions receivable are generally paid within one year after the fiscal year-end. An allowance for uncollectible pledges is provided at the end of each campaign based on the Organization's collection history. The allowance is 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 Greensboro and surrounding areas. Generally, a concentration of credit risk is limited due to the large number of donors comprising the Organization's donor base. However, at June 30, 2014 and 2013, a single donor comprised \$500,000 and \$1,000,000 of gross pledges receivable.

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

**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 that provide moderate to high income with moderate emphasis on long-term growth. Certain of the Organization's funds are managed by the Community Foundation of Greater Greensboro, Inc. (see Notes 3 and 4) as part of its Long-Term Pool. The Community Foundation of Greater Greensboro, Inc.'s primary performance objective for investments in its Long-Term Pool is to achieve a total return, net of fees, in excess of spending and inflation rates, as defined by the Consumer Price Index.

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.

# United Way of Greater Greensboro, Inc.

## Summary of Significant Accounting Policies

### Fair Value of Financial Instruments

The carrying amount of cash, pledges receivable and accounts and allocations and designations payable approximate 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.

Fair value measurements of investments for which the measurement was based on net asset value (“NAV”) or its equivalent as provided by an external manager are categorized within level 2 or level 3 depending on the ability to redeem with the manager at the NAV as of the reporting date or within the near term.

The following are the assets and liabilities measured at fair value as of June 30, 2014:

	Level 1	Level 2	Level 3	Total
Investments	\$8,492,416	\$ -	\$ -	\$ 8,492,416
Beneficial interest in foundation assets	-	-	2,540,976	2,540,976
	\$8,492,416	\$ -	\$2,540,976	\$ 11,033,392

The following are the assets and liabilities measured at fair value as of June 30, 2013:

	Level 1	Level 2	Level 3	Total
Investments	\$7,630,729	\$ -	\$ -	\$7,630,729
Beneficial interest in foundation assets	-	-	2,152,065	2,152,065
	\$7,630,729	\$ -	\$2,152,065	\$9,782,794

# United Way of Greater Greensboro, Inc.

## Summary of Significant Accounting Policies

### Fair Value of Financial Instruments (Concluded)

The Organization has classified its portion of the total fair value of the underlying securities held by the Community Foundation of Greater Greensboro, Inc. as Level 3 based on the related redemption terms that require the approval of the Board of Directors of the Foundation before the Organization may fully access its portion of Foundation assets. The underlying investment securities held by the Foundation have fair values that are generally determined using Level 1 inputs. Assets held by the Community Foundation are primarily invested in Level 1 investments including bonds, fixed income funds, equities and equity funds that have quoted prices in active markets. Approximately 12% at June 30, 2014, of Foundation assets are managed in hedge fund strategies which are not directly traded on public investment markets and where there is no readily determinable fair value for those investments, therefore the fair values have been estimated using the NAV per share of the investments as provided by the hedge fund manager. United Way adjusts its interest in the assets held by the Foundation similar to the equity method of accounting, which results in the assets being carried at fair value. See Note 4 for additional details related to the beneficial interest in Foundation assets.

The changes in the investments for which the Organization has used Level 3 inputs to determine the fair values are as follows:

	<b>2014</b>	2013
Balance, beginning of year	<b>\$2,152,065</b>	\$1,975,938
Realized gains	<b>92,596</b>	75,928
Net unrealized gains	<b>302,053</b>	180,080
Appropriations	<b>(80,738)</b>	(79,881)
Contributions	<b>75,000</b>	-
Balance, end of year	<b>\$2,540,976</b>	\$2,152,065

### 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 that 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 that range from 3 to 40 years.

# United Way of Greater Greensboro, Inc.

## Summary of Significant Accounting Policies

<b>Long-Lived Assets</b>	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 2014 and 2013.
<b>Allocations and Awards</b>	The Organization allocates campaign funds annually to agencies serving the community. These allocations are recognized as liabilities at the time the commitments 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.
<b>Donated Services</b>	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.
<b>Functional Allocation of Expenses</b>	<p>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:</p> <p>Allocation and Grants: Activities related to agency relations and allocation processes.</p> <p>Other Community Programs: Activities related to community issues.</p> <p>Administration: Activities that are important to the Organization's existence, but do not fit into any other functions.</p> <p>Fund Development: Activities related to appeals for financial support, such as workplace campaigns, managed campaigns and leadership events.</p>

# United Way of Greater Greensboro, Inc.

## Summary of Significant Accounting Policies

### **Income Taxes**

The Organization is exempt from income taxes on related income as an organization described under Section 501(c)(3) of the Internal Revenue Code. No unrelated business taxable income has been identified by management. 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 financial statements. No material uncertain tax positions were identified for 2014 and 2013. Currently, the statute of limitations remains open subsequent to and including fiscal 2011; however, no examinations are in process.

### **Comparative Financial Statements**

Certain 2013 amounts have been classified to conform to the 2014 presentation. These reclassifications had no effect on previously reported changes in net assets.

### **Subsequent Events**

Management has evaluated events occurring subsequent to the balance sheet date through October 2, 2014, 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>	<b>2014</b>	2013
Pledges receivable from current year campaign	<b>\$ 4,164,666</b>	\$ 4,319,880
Pledges receivable for future campaigns	<b>1,015</b>	1,049,230
Allowance for uncollectible pledges	<b>(450,649)</b>	(516,408)
<b>Total</b>	<b>\$ 3,715,032</b>	\$ 4,852,702

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

<i>Year ended June 30,</i>	<b>2014</b>	2013
Initial reserve (4.5% of campaign pledges in 2014 and 2013)	<b>\$ 383,951</b>	\$ 501,993
Write-offs from prior years' campaigns, net of collections of amounts previously written-off	<b>(138,211)</b>	(157,196)
	<b>\$ 245,740</b>	\$ 344,797

Included in the statements of activities as follows:

<i>Year ended June 30,</i>	<b>2014</b>	2013
Unrestricted (current and past campaigns)	<b>\$ 244,725</b>	\$ 278,506
Temporarily restricted (future campaign)	<b>1,015</b>	66,291
	<b>\$ 245,740</b>	\$ 344,797

# United Way of Greater Greensboro, Inc.

## Notes to Financial Statements

### 2. Investments

Investments, at fair value, consist of the following:

<i>June 30,</i>	<b>2014</b>	2013
Money market funds, at cost which approximates fair value	<b>\$ 503,973</b>	\$ 102,194
Other mutual funds (cost of \$621,303 and \$660,678)	<b>640,355</b>	649,373
Corporate bonds and U.S. Treasury notes (cost of \$4,501,751 and \$4,254,744)	<b>4,496,569</b>	4,145,837
Common stock (cost of \$2,446,634 and \$2,570,909)	<b>2,851,519</b>	2,733,325
<b>Totals</b>	<b>\$ 8,492,416</b>	\$ 7,630,729

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, 2014</i>	<u>Investment Directed By</u>		Total
	Foundation	Organization	
Interest and dividends	\$ 58,689	\$ 251,426	\$ 310,115
Gain on investments carried at fair value	335,960	555,966	891,926
	<b>\$ 394,649</b>	<b>\$ 807,392</b>	<b>\$ 1,202,041</b>

<i>Year ended June 30, 2013</i>	<u>Investment Directed By</u>		Total
	Foundation	Organization	
Interest and dividends	\$ 45,690	\$ 265,113	\$ 310,803
Gain on investments carried at fair value	210,319	248,219	458,538
	<b>\$ 256,009</b>	<b>\$ 513,332</b>	<b>\$ 769,341</b>

### 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)

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, 2014 and 2013. 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 4.00% and 4.25% was received for 2014 and 2013, respectively.



# United Way of Greater Greensboro, Inc.

## Notes to Financial Statements

### 3. Endowment Funds (Continued)

At June 30, 2014, endowment net assets by type of fund comprised:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Board-designated endowment funds	\$ 415,614	\$ -	\$ -	\$ 415,614
Donor-restricted endowment funds	-	1,215,255	1,006,031	2,221,286
	\$ 415,614	\$ 1,215,255	\$ 1,006,031	\$ 2,636,900

The following summarizes changes in endowment net assets for the year ended June 30, 2014:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 292,728	\$ 943,156	\$ 1,006,031	\$ 2,241,915
Investment return:				
Investment income	9,388	49,924	-	59,312
Net change in value (realized and unrealized)	48,802	298,905	-	347,707
Total investment return	58,190	348,829	-	407,019
Contributions	75,000	-	-	75,000
Appropriation of endowment assets	(10,304)	(76,730)	-	(87,034)
Endowment net assets, end of year	\$ 415,614	\$ 1,215,255	\$ 1,006,031	\$ 2,636,900

# United Way of Greater Greensboro, Inc.

## Notes to Financial Statements

### 3. Endowment Funds (Concluded)

At June 30, 2013, endowment net assets by type of fund comprised:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Board-designated endowment funds	\$ 292,728	\$ -	\$ -	\$ 292,728
Donor-restricted endowment funds	-	943,156	1,006,031	1,949,187
	\$ 292,728	\$ 943,156	\$ 1,006,031	\$ 2,241,915

The following summarizes changes in endowment net assets for the year ended June 30, 2013:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 266,807	\$ 788,451	\$ 1,006,031	\$ 2,061,289
Investment return:				
Investment income	6,138	42,135	-	48,273
Net change in value (realized and unrealized)	28,507	184,848	-	213,355
Total investment return	34,645	226,983	-	261,628
Appropriation of endowment assets	(8,724)	(72,278)	-	(81,002)
Endowment net assets, end of year	\$ 292,728	\$ 943,156	\$ 1,006,031	\$ 2,241,915

The following endowment funds are categorized as temporarily restricted:

<i>June 30,</i>	<b>2014</b>	2013
Neil Belenky Endowment	\$ 294,153	\$ 257,309
Growth in donor-restricted funds	921,102	685,847
	\$ 1,215,255	\$ 943,156

# United Way of Greater Greensboro, Inc.

## Notes to Financial Statements

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 the Organization's interest in pooled investment assets held by the Foundation and was \$2,540,976 and \$2,152,065 at June 30, 2014 and 2013.

5. **Land, Buildings and Equipment** Land, buildings and equipment consist of the following:

<i>June 30,</i>	<b>2014</b>	2013
Land and improvements	\$ 220,812	\$ 220,812
Buildings and improvements	1,192,535	1,192,535
Furniture and equipment	660,217	665,051
	<b>2,073,564</b>	2,078,398
Less accumulated depreciation	1,228,338	1,159,512
Land, buildings and equipment, net	<b>\$ 845,226</b>	\$ 918,886

6. **Restricted Net Assets** Temporarily restricted net assets consist of or are available for the following purposes:

<i>June 30,</i>	<b>2014</b>	2013
Growth in donor-restricted endowment funds	\$ 921,102	\$ 685,847
Contributions received for next year's campaign (net of designations and allowances)	432,503	421,284
Thriving at Three Educational Grant	328,679	404,496
Neil Belenky Endowment	294,153	257,309
Mentoring Initiative	109,746	222,275
Access to Healthcare Grant	20,000	20,000
Latino Professional Forum	10,849	10,849
211 Expansion Plan	6,602	8,738
Meaningful Meals Project	4,821	5,486
Other	7,817	5,842
	<b>\$ 2,136,272</b>	\$ 2,042,126

# United Way of Greater Greensboro, Inc.

## Notes to Financial Statements

6. **Restricted Net Assets (Concluded)** Permanently restricted net assets consist of or are available for the following purposes:

<i>June 30,</i>	<b>2014</b>	2013
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
	<b>\$ 1,006,031</b>	\$ 1,006,031

7. **Retirement Plan** The Organization sponsors a 403(b) Thrift Plan to which it contributes 3% of compensation, plus the lesser of 50% of the employee's contribution or 3% of compensation. Retirement plan contributions were approximately \$41,000 and \$42,000 during 2014 and 2013.