

# United Way of Greater Greensboro, Inc.

Financial Statements  
Years Ended June 30, 2017 and 2016



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

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Financial Statements  
Years Ended June 30, 2017 and 2016

# United Way of Greater Greensboro, Inc.

## 2016/2017 Officers and Board of Directors

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### Officers

Jason Bohrer	-	Chair of the Board
Gregg Strader	-	Vice Chair
M. Daniel McGinn	-	Secretary of the Board and Legal Counsel
Michelle Gethers-Clark	-	President and CEO
Jason Strange	-	Treasurer

### Board of Directors

Tina Akers Brown	M. Daniel McGinn
Jason Bohrer	Ron Milstein
Dan Burdett	Dr. Antonia Monk Richburg
Chuck Burns	Richard Newman
Peter T. Callahan	Brian Pierce
Sue W. Cole	Dr. Edward A. Robinson
Mike Diamond	Judith A. Schanel
Mae Douglas	Bob Scheppegegrell
Angie Bullard Fox	Martin S. Schneider
Kimberly B. Gatling	Gina Sorrells
Jeff Gauger	Lee Stokes
Michelle Gethers-Clark	Gregg Strader
Jacquelean Gilliam	Jason Strange
Robin Hager	Aaron Strasser
John Houghtby	Jane Trevey
Jeff Johnson	Jim Westmoreland
Mark Kiel	Sue D. White
Dr. Paul Leslie	Terrence Young
Dr. Samantha Magill	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, 2017 and 2016, 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, 2017 and 2016, 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  
September 27, 2017

# United Way of Greater Greensboro, Inc.

## Statements of Financial Position June 30, 2017 and 2016

	2017	2016
<b>Assets</b>		
Cash and cash equivalents	\$ 600,011	\$ 805,116
Pledges receivable, net	3,071,912	3,622,224
Other receivables	290,407	245,536
Prepaid expenses	63,627	53,841
Investments	8,488,654	7,466,543
Beneficial interest in Foundation assets	2,873,200	2,446,570
Cash surrender value of life insurance (\$700,000 face value)	109,623	115,013
Land, buildings and equipment, net	945,935	875,746
<b>Total assets</b>	<b>\$ 16,443,369</b>	<b>\$ 15,630,589</b>
<b>Liabilities and Net Assets</b>		
Accounts payable	\$ 134,892	\$ 231,564
Accrued expenses	47,265	99,144
Allocations and designations payable	5,970,512	6,539,390
<b>Total liabilities</b>	<b>6,152,669</b>	<b>6,870,098</b>
<b>Commitments</b>		
<b>Net Assets</b>		
Unrestricted:		
Unappropriated	5,302,007	4,558,308
Board appropriated	853,687	926,155
Temporarily restricted	2,978,975	2,269,997
Permanently restricted	1,156,031	1,006,031
<b>Total net assets</b>	<b>10,290,700</b>	<b>8,760,491</b>
<b>Total liabilities and net assets</b>	<b>\$ 16,443,369</b>	<b>\$ 15,630,589</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, 2017 with Summarized Information for 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	<b>Total 2017</b>	Total 2016
<b>Support and revenue</b>					
Gross campaign revenue	\$ 8,691,453	\$ 669,208	\$ -	<b>\$ 9,360,661</b>	\$ 9,297,464
Less donor designations	(1,622,146)	-	-	<b>(1,622,146)</b>	(1,918,902)
Less provision for uncollectible	(284,699)	-	-	<b>(284,699)</b>	(221,609)
Net current campaign revenue	6,784,608	669,208	-	<b>7,453,816</b>	7,156,953
Campaign revenue (expense) - prior campaign, net	(18,176)	-	-	<b>(18,176)</b>	1,930
Campaign revenue - future campaign, net	-	802,699	-	<b>802,699</b>	615,516
Net campaign revenue	6,766,432	1,471,907	-	<b>8,238,339</b>	7,774,399
Net income from investments	638,527	9,258	-	<b>647,785</b>	65,978
Net income (loss) from beneficial interest in Foundation assets	82,249	264,004	-	<b>346,253</b>	(124,250)
Designations - other community campaigns	253,409	-	-	<b>253,409</b>	274,950
Grant and gift revenue	197,326	7,772	150,000	<b>355,098</b>	263,683
Other revenue	191,859	-	-	<b>191,859</b>	138,302
Net assets released from restrictions	1,043,963	(1,043,963)	-	-	-
<b>Total support and revenue</b>	<b>9,173,765</b>	<b>708,978</b>	<b>150,000</b>	<b>10,032,743</b>	<b>8,393,062</b>
<b>Functional expenses</b>					
Allocations and grants	5,043,815	-	-	<b>5,043,815</b>	5,304,093
Other community programs	1,643,859	-	-	<b>1,643,859</b>	1,493,318
Administration	1,031,089	-	-	<b>1,031,089</b>	1,078,341
Fund development	783,771	-	-	<b>783,771</b>	726,134
<b>Total functional expenses</b>	<b>8,502,534</b>	<b>-</b>	<b>-</b>	<b>8,502,534</b>	<b>8,601,886</b>
<b>Change in net assets</b>	<b>671,231</b>	<b>708,978</b>	<b>150,000</b>	<b>1,530,209</b>	<b>(208,824)</b>
<b>Net assets, beginning of year</b>	<b>5,484,463</b>	<b>2,269,997</b>	<b>1,006,031</b>	<b>8,760,491</b>	<b>8,969,315</b>
<b>Net assets, end of year</b>	<b>\$ 6,155,694</b>	<b>\$ 2,978,975</b>	<b>\$ 1,156,031</b>	<b>\$ 10,290,700</b>	<b>\$ 8,760,491</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, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2016
<b>Support and revenue</b>				
Gross campaign revenue	\$ 9,138,907	\$ 158,557	\$ -	\$ 9,297,464
Less donor designations	(1,918,902)	-	-	(1,918,902)
Less provision for uncollectible	(221,609)	-	-	(221,609)
Net current campaign revenue	6,998,396	158,557	-	7,156,953
Campaign revenue – prior campaign	1,930	-	-	1,930
Campaign revenue – future campaign, net	-	615,516	-	615,516
Net campaign revenue	7,000,326	774,073	-	7,774,399
Net income (loss) from investments	67,974	(1,996)	-	65,978
Net loss from beneficial interest in Foundation assets	(13,028)	(111,222)	-	(124,250)
Designations – other community campaigns	274,950	-	-	274,950
Grant and gift revenue	247,409	16,274	-	263,683
Other revenue	138,302	-	-	138,302
Net assets released from restrictions	1,237,038	(1,237,038)	-	-
<b>Total support and revenue</b>	<b>8,952,971</b>	<b>(559,909)</b>	<b>-</b>	<b>8,393,062</b>
<b>Functional expenses</b>				
Allocations and grants	5,304,093	-	-	5,304,093
Other community programs	1,493,318	-	-	1,493,318
Administration	1,078,341	-	-	1,078,341
Fund development	726,134	-	-	726,134
<b>Total functional expenses</b>	<b>8,601,886</b>	<b>-</b>	<b>-</b>	<b>8,601,886</b>
<b>Change in net assets</b>	<b>351,085</b>	<b>(559,909)</b>	<b>-</b>	<b>(208,824)</b>
<b>Net assets, beginning of year</b>	<b>5,133,378</b>	<b>2,829,906</b>	<b>1,006,031</b>	<b>8,969,315</b>
<b>Net assets, end of year</b>	<b>\$ 5,484,463</b>	<b>\$ 2,269,997</b>	<b>\$ 1,006,031</b>	<b>\$ 8,760,491</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, 2017 and 2016

	2017	2016
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 1,530,209	\$ (208,824)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Provision for uncollectible pledges	317,451	246,834
Depreciation	84,446	74,548
Gain on disposal of equipment	1,290	-
Net loss (gain) on investments including change in beneficial interest	(994,038)	58,272
Funds received to be held in endowment	(175,000)	(206,268)
Changes in assets and liabilities:		
Pledges receivable	232,861	638,563
Other receivables	(44,871)	(6,422)
Prepaid expenses	(9,786)	(31,287)
Accounts payable and accrued expenses	(148,551)	91,792
Allocations and designations payable	(568,878)	(1,001,011)
<b>Net cash provided by (used in) operating activities</b>	<b>225,133</b>	<b>(343,803)</b>
<b>Cash flows from investing activities</b>		
Purchase of investments	(1,896,125)	(2,896,263)
Proceeds from sale of investments	1,527,189	3,612,452
Payment from Foundation	94,623	94,424
Purchase of equipment	(155,925)	(142,526)
<b>Net cash provided by (used in) investing activities</b>	<b>(430,238)</b>	<b>668,087</b>
<b>Net change in cash and cash equivalents</b>	<b>(205,105)</b>	<b>324,284</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>805,116</b>	<b>480,832</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 600,011</b>	<b>\$ 805,116</b>

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

## United Way of Greater Greensboro, Inc.

### Statement of Functional Expenses Year Ended June 30, 2017

	Program Services			Support Services			Total
	Allocations and Grants	Other	Total	Administration	Fund	Total	
		Community Programs	Program Services		Development	Support Services	
Allocations and awards	\$ 6,694,803	\$ 779,220	\$ 7,474,023	\$ -	\$ -	\$ -	<b>\$ 7,474,023</b>
Less donor designations	(1,662,146)	-	(1,662,146)	-	-	-	<b>(1,662,146)</b>
<b>Discretionary allocations</b>	5,032,657	779,220	5,811,877	-	-	-	<b>5,811,877</b>
Salaries and contracted labor	2,430	517,871	520,301	686,319	529,274	1,215,593	<b>1,735,894</b>
Employee benefits	2,894	81,004	83,898	99,551	73,754	173,305	<b>257,203</b>
Payroll taxes	1,495	35,866	37,361	41,639	37,116	78,755	<b>116,116</b>
<b>Total salaries and related costs</b>	6,819	634,741	641,560	827,509	640,144	1,467,653	<b>2,109,213</b>
Support of state and national United Way	1,112	62,693	63,805	55,813	30,080	85,893	<b>149,698</b>
Depreciation	628	35,365	35,993	31,484	16,969	48,453	<b>84,446</b>
Professional fees	600	33,830	34,430	30,118	16,232	46,350	<b>80,780</b>
Occupancy	556	31,329	31,885	27,891	15,032	42,923	<b>74,808</b>
Fund raising materials and events	270	25,205	25,475	17,284	26,574	43,858	<b>69,333</b>
Printing, publications and advertising	202	13,545	13,747	8,101	9,391	17,492	<b>31,239</b>
Rental and maintenance of equipment	102	9,302	9,404	5,127	6,306	11,433	<b>20,837</b>
Telephone and internet service	160	8,257	8,417	7,998	4,397	12,395	<b>20,812</b>
Postage and shipping	248	1,066	1,314	4,074	6,159	10,233	<b>11,547</b>
Travel	217	868	1,085	2,518	5,146	7,664	<b>8,749</b>
Membership dues and subscriptions	20	1,392	1,412	3,569	1,298	4,867	<b>6,279</b>
Staff development	83	(214)	(131)	2,343	2,340	4,683	<b>4,552</b>
Local meetings	17	553	570	60	388	448	<b>1,018</b>
Sponsorship	5	16	21	783	38	821	<b>842</b>
Miscellaneous	119	6,691	6,810	6,417	3,277	9,694	<b>16,504</b>
<b>Total other expenses</b>	4,339	229,898	234,237	203,580	143,627	347,207	<b>581,444</b>
<b>Total functional expenses</b>	\$ 5,043,815	\$ 1,643,859	\$ 6,687,674	\$ 1,031,089	\$ 783,771	\$ 1,814,860	<b>\$ 8,502,534</b>

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

## United Way of Greater Greensboro, Inc.

### Statement of Functional Expenses Year Ended June 30, 2016

	Program Services			Support Services			Total
	Allocations and Grants	Other	Total	Administration	Fund	Total	
		Community Programs	Program Services		Development	Support Services	
Allocations and awards	\$ 7,215,891	\$ 725,096	\$ 7,940,987	\$ -	\$ -	\$ -	\$ 7,940,987
Less donor designations	(1,918,902)	-	(1,918,902)	-	-	-	(1,918,902)
<b>Discretionary allocations</b>	5,296,989	725,096	6,022,085	-	-	-	6,022,085
Salaries and contracted labor	4,057	443,418	447,475	710,729	492,179	1,202,908	1,650,383
Employee benefits	511	60,023	60,534	85,179	69,125	154,304	214,838
Payroll taxes	262	32,574	32,836	47,243	39,768	87,011	119,847
<b>Total salaries and related costs</b>	4,830	536,015	540,845	843,151	601,072	1,444,223	1,985,068
Support of state and national United Way	681	56,531	57,212	62,507	30,784	93,291	150,503
Depreciation	337	28,001	28,338	30,961	15,248	46,209	74,547
Professional fees	478	39,701	40,179	43,898	21,619	65,517	105,696
Occupancy	298	24,749	25,047	27,366	13,477	40,843	65,890
Fund raising materials and events	98	35,778	35,876	16,295	8,949	25,244	61,120
Printing, publications and advertising	2	8,839	8,841	11,103	6,302	17,405	26,246
Rental and maintenance of equipment	81	13,691	13,772	7,398	3,643	11,041	24,813
Telephone and internet service	108	9,100	9,208	11,588	5,859	17,447	26,655
Postage and shipping	26	989	1,015	3,704	5,870	9,574	10,589
Travel	10	1,058	1,068	2,228	4,783	7,011	8,079
Membership dues and subscriptions	22	1,294	1,316	3,587	1,205	4,792	6,108
Staff development	45	6,125	6,170	7,278	3,553	10,831	17,001
Local meetings	-	31	31	44	368	412	443
Sponsorship	13	490	503	273	209	482	985
Miscellaneous	75	5,830	5,905	6,960	3,193	10,153	16,058
<b>Total other expenses</b>	2,274	232,207	234,481	235,190	125,062	360,252	594,733
<b>Total functional expenses</b>	\$ 5,304,093	\$ 1,493,318	\$ 6,797,411	\$ 1,078,341	\$ 726,134	\$ 1,804,475	\$ 8,601,886

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

# United Way of Greater Greensboro, Inc.

## Summary of Significant Accounting Policies

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### Organization

United Way of Greater Greensboro, Inc. (the “Organization”) is a nonprofit organization that makes investments in the community so that every individual and family can succeed. Through community partnerships, the Organization helps children and young people succeed in school and in life, offers financial stability for individuals and families and empowers all to lead a healthy life. The Organization mobilizes and unites the passion, expertise and resources of caring citizens and invests in effective programs to achieve solutions to the community's most critical issues. Together, with community and corporate partners, donors, volunteers and advocates, the Organization is focusing its work on breaking the cycle of poverty in Greater Greensboro and creating opportunities for a high quality of life for all.

### 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.

Support and 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 accordance 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.

# United Way of Greater Greensboro, Inc.

## Summary of Significant Accounting Policies

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### **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.

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, 2017, two donors comprised \$675,000 of pledges receivable and at June 30, 2016, three donors comprised \$1,207,500 of 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.

# United Way of Greater Greensboro, Inc.

## Summary of Significant Accounting Policies

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### 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 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 investments are managed by the Community Foundation of Greater Greensboro, Inc. (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.

### Fair Value of Financial Instruments

The carrying amount of pledges receivable, accounts payable 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 measured at fair value as of June 30, 2017:

	Level 1	Level 2	Level 3	Total
Investments	\$ 8,488,654	\$ -	\$ -	\$ 8,488,654
Beneficial interest in Foundation assets	-	-	2,873,200	2,873,200
	\$ 8,488,654	\$ -	\$ 2,873,200	\$ 11,361,854

# United Way of Greater Greensboro, Inc.

## Summary of Significant Accounting Policies

### Fair Value of Financial Instruments (Concluded)

The following are the assets measured at fair value as of June 30, 2016:

	Level 1	Level 2	Level 3	Total
Investments	\$ 7,466,543	\$ -	\$ -	\$ 7,466,543
Beneficial interest in Foundation assets	-	-	2,446,570	2,446,570
	\$ 7,466,543	\$ -	\$ 2,446,570	\$ 9,913,113

There were no liabilities measured at fair value at June 30, 2017 and 2016.

The Organization has classified its portion of the total fair value of the underlying securities held by the Community Foundation of Greater Greensboro, Inc. (the "Foundation") 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. At June 30, 2017 and 2016, approximately 12% 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. The Organization 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.

The changes in the investments for which the Organization has used Level 3 inputs to determine the fair values for the years ended June 30, 2017 and 2016 are as follows:

	2017	2016
Balance, beginning of year	\$ 2,446,570	\$ 2,458,976
Realized gains	58,166	59,784
Net unrealized gains (losses)	288,087	(184,034)
Appropriations	(94,623)	(94,424)
Contributions	175,000	206,268
Balance, end of year	\$ 2,873,200	\$ 2,446,570

### Land, Buildings and Equipment

Land, buildings 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

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### **Long-lived Assets**

Long-lived assets, such as land, buildings 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 2017 or 2016.

### **Allocations and Grants**

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 the Organization objectives.

### **Combined Federal Campaign Designations**

The Organization has established policies and procedures to substantially distribute all receipts from a given company proportionally in accordance with the gross designation reports provided by administrators of the various campaigns. Distributions are made on a regular, scheduled basis using the gross designation report from each campaign as a basis for each proportionate distribution.

The Organization honors all federal employee designations received from the Combined Federal Campaign by distributing a proportionate share of receipts based on donor designation to each member.

### **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.

### **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.

# United Way of Greater Greensboro, Inc.

## Summary of Significant Accounting Policies

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### **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 2017 and 2016. Currently, the statute of limitations remains open subsequent to and including fiscal 2014; however, no examinations are in process.

### **Reclassifications**

Certain prior year balances have been reclassified to conform to the current year presentation. The reclassifications have no effect on change in net assets or total net assets previously reported.

### **Subsequent Events**

Management has evaluated events occurring subsequent through September 27, 2017, 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>2017</b>	2016
Pledges receivable from current year campaign	\$ <b>3,447,650</b>	\$ 3,993,366
Pledges receivable for future campaigns	<b>47,108</b>	43,603
Allowance for uncollectible pledges	<b>(422,846)</b>	(414,745)
<b>Total</b>	<b>\$ 3,071,912</b>	\$ 3,622,224

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

<i>Year ended June 30,</i>	<b>2017</b>	2016
Initial reserve (4.0% of campaign pledges in 2017 and 2016)	\$ <b>399,670</b>	\$ 390,452
Write-offs from prior years' campaigns, net of collections of amounts previously written off	<b>(82,219)</b>	(143,618)
	<b>\$ 317,451</b>	\$ 246,834

Included in the statements of activities as follows:

<i>Year ended June 30,</i>	<b>2017</b>	2016
Unrestricted (current and past campaigns)	\$ <b>284,699</b>	\$ 221,609
Temporarily restricted (future campaign)	<b>32,752</b>	25,225
	<b>\$ 317,451</b>	\$ 246,834

### 2. Investments

Investments, at fair value, consist of the following:

<i>June 30,</i>	<b>2017</b>	2016
Money market funds, at cost which approximates fair value	\$ <b>139,933</b>	\$ 80,135
Other mutual funds (cost of \$2,970,731 and \$185,820)	<b>3,429,455</b>	160,922
Corporate bonds and U.S. Treasury notes (cost of \$4,929,541 and \$4,396,606)	<b>4,852,151</b>	4,385,816
Common stock (cost of \$58,029 and \$2,816,473)	<b>67,115</b>	2,839,670
<b>Totals</b>	<b>\$ 8,488,654</b>	\$ 7,466,543

# United Way of Greater Greensboro, Inc.

## Notes to Financial Statements

### 2. Investments (Concluded)

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

<i>Year ended June 30, 2017</i>	Investment Directed by		Total
	Foundation	Organization	
Interest and dividends	\$ 58,166	\$ 231,161	\$ 289,327
Gain on investments carried at fair value	288,087	416,624	704,711
	\$ 346,253	\$ 647,785	\$ 994,038

<i>Year ended June 30, 2016</i>	Investment Directed by		Total
	Foundation	Organization	
Interest and dividends	\$ 59,784	\$ 297,297	\$ 357,081
Loss on investments carried at fair value	(184,034)	(231,319)	(415,353)
	\$ (124,250)	65,978	\$ (58,272)

### 3. Endowment Funds

The Organization's endowments are invested with the Community Foundation of Greater Greensboro, Inc. (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.

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, 2017 and 2016. 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.

# United Way of Greater Greensboro, Inc.

## Notes to Financial Statements

### 3. Endowment Funds (Continued)

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 12 quarters to determine the endowment distributions to be received by the Organization. A distribution of 4.00% was received for 2017 and 2016.

At June 30, 2017, endowment net assets by type of fund comprised:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Board-designated endowment funds	\$ 673,957	\$ -	\$ -	\$ 673,957
Donor-restricted endowment funds	-	1,135,609	1,156,031	2,291,640
	\$ 673,957	\$ 1,135,609	\$ 1,156,031	\$ 2,965,597

The following summarizes changes in endowment net assets for the year ended June 30, 2017:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 582,163	\$ 944,530	\$ 1,006,031	\$ 2,532,724
Investment return:				
Investment income	6,141	24,362	-	30,503
Net change in value (realized and unrealized)	76,108	248,900	-	325,008
Total investment return	82,249	273,262	-	355,511
Contributions	25,000	-	150,000	175,000
Appropriation of endowment assets	(15,455)	(82,183)	-	(97,638)
Endowment net assets, end of year	\$ 673,957	\$ 1,135,609	\$ 1,156,031	\$ 2,965,597

# United Way of Greater Greensboro, Inc.

## Notes to Financial Statements

### 3. Endowment Funds (Concluded)

At June 30, 2016, endowment net assets by type of fund comprised:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Board-designated endowment funds	\$ 582,163	\$ -	\$ -	\$ 582,163
Donor-restricted endowment funds	-	944,530	1,006,031	1,950,561
	<b>\$ 582,163</b>	<b>\$ 944,530</b>	<b>\$ 1,006,031</b>	<b>\$ 2,532,724</b>

The following summarizes changes in endowment net assets for the year ended June 30, 2016:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 404,499	\$ 1,143,714	\$ 1,006,031	\$ 2,554,244
Investment return:				
Investment income	5,213	26,223	-	31,436
Net change in value (realized and unrealized)	(18,241)	(139,441)	-	(157,682)
Total investment return	(13,028)	(113,218)	-	(126,246)
Contributions	206,268	-	-	206,268
Appropriation of endowment assets	(15,576)	(85,966)	-	(101,542)
Endowment net assets, end of year	<b>\$ 582,163</b>	<b>\$ 944,530</b>	<b>\$ 1,006,031</b>	<b>\$ 2,532,724</b>

The following endowment funds are categorized as temporarily restricted:

<i>June 30,</i>	<b>2017</b>	2016
Neil Belenky Endowment	<b>\$ 283,174</b>	\$ 258,041
Growth in donor-restricted funds	<b>852,435</b>	686,489
	<b>\$ 1,135,609</b>	\$ 944,530

### 4. Beneficial Interest in Foundation Assets

The Organization is the beneficial owner of certain funds invested with the Foundation. The beneficial interest is valued at the estimated fair value the Organization's interest in pooled investment assets held by the Foundation and was \$2,873,200 and \$2,446,570 at June 30, 2017 and 2016.

# 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>	<b>2017</b>	2016
Land and improvements	\$ 220,812	\$ 220,812
Buildings and improvements	1,349,092	1,260,755
Furniture and equipment	591,705	689,494
Projects in progress	-	2,400
	<b>2,161,609</b>	2,173,461
Less accumulated depreciation	<b>1,215,674</b>	1,297,715
Land, buildings and equipment, net	<b>\$ 945,935</b>	\$ 875,746

### 6. Restricted Net Assets

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

<i>June 30,</i>	<b>2017</b>	2016
Growth in donor-restricted endowment funds	\$ 852,435	\$ 686,489
Family Success Center	926,599	565,530
Contributions received for next year's campaign (net of designations and allowances)	752,620	610,516
Neil Belenky Endowment	283,174	258,041
Thriving at Three Initiative	107,931	87,966
Mentoring Initiative	14,894	9,448
211 Expansion Plan	13,705	13,705
Latino Professional Forum	10,849	10,849
Meaningful Meals Project	5,881	8,741
Access to Healthcare Grant	81	7,681
Other	10,806	11,031
	<b>\$ 2,978,975</b>	\$ 2,269,997

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

<i>June 30,</i>	<b>2017</b>	2016
Joseph Bryan Endowment	\$ 500,000	\$ 500,000
Herman Cone Endowment	408,602	408,602
Tobee Kaplan Endowment	150,000	-
Jeanette Cone Trust	50,000	50,000
Lawrence Cohen Emergency Fund	47,429	47,429
	<b>\$ 1,156,031</b>	\$ 1,006,031

# United Way of Greater Greensboro, Inc.

## Notes to Financial Statements

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### 7. Retirement Plan

The Organization sponsors a 403(b) Thrift Plan to which it contributes 3% of employee compensation, plus the lesser of 50% of the employee's contributions or 3% of compensation. Retirement plan contributions were approximately \$81,000 and \$61,000 during 2017 and 2016.

### 8. Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which provides guidance on the recognition of revenue. The ASU, as amended, is effective for periods beginning after December 15, 2019, with no early application permitted. Management is currently assessing the impact that this guidance may have on the Organization's future financial statements.

In August 2016, the FASB issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958), Presentation of Financial Statements of Not-for-Profit Entities*. This ASU eliminates the distinction between resources with permanent and temporary restrictions from the face of financial statements. Instead, the ASU requires presentation of two classes of net assets – net assets with donor restrictions and net assets without donor restrictions. The update also requires enhanced disclosures for a number of areas. The amendments in this update are effective for annual financial statements issued for fiscal years beginning after December 15, 2017, with early application of the amendments permitted. Management is currently assessing the impact of this update on the Organization's financial statements.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230) Classification of Certain Cash Receipts and Cash Payments*. This ASU eliminates diversity in practice in how certain cash receipts and payments are presented and classified in the statement of cash flows. The amendments in this update are effective for annual financial statements issued for fiscal years beginning after December 15, 2018, with early adoption permitted. Management is currently assessing the impact of this update on the Organization's financial statements.