



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

Financial Statements
Years Ended June 30, 2015 and 2014



SMITH LEONARD
Accountants & Consultants



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

Financial Statements
Years Ended June 30, 2015 and 2014

United Way of Greater Greensboro, Inc.

2014/2015 Officers and Board of Directors

Officers

Judith A. Schanel	-	Chair of the Board
Aaron Strasser	-	Vice Chair
M. Daniel McGinn	-	Secretary of the Board and Legal Counsel
Michelle Gethers-Clark	-	President
Jason Strange	-	Treasurer
Jason Bohrer	-	Campaign Chair

Board of Directors

Jason Bohrer	Chris Lofflin
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	Dr. Edward A. Robinson
Mae Douglas	Judith A. Schanel
Dr. Beth Folger	Martin S. Schneider
Kimberly B. Gatling	Susan F. Shumaker
Michelle Gethers-Clark	Pastor Lee Stokes
Regina Howard Glaspie	Gregg Strader
Robin Hager	Jason Strange
Jeff Johnson	Aaron Strasser
Murray S. Kessler	Jim Westmoreland
Dr. Paul Leslie	Sue D. White
Kathi Lester	Benjamin Zuraw

United Way of Greater Greensboro, Inc.

Contents

Independent Auditor's Report	4-5
Financial Statements	
Statements of financial position	6
Statement of activities – year ended June 30, 2015 with summarized information for 2014	7
Statement of activities – year ended June 30, 2014	8
Statements of cash flows	9
Statement of functional expenses – year ended June 30, 2015	10
Statement of functional expenses – year ended June 30, 2014	11
Summary of significant accounting policies	12-18
Notes to financial statements	19-25



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, 2015 and 2014, 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, 2015 and 2014, 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 23, 2015

United Way of Greater Greensboro, Inc.

Statements of Financial Position

June 30, 2015 and 2014

	2015	2014
Assets		
Cash and cash equivalents	\$ 480,832	\$ 414,371
Pledges receivable, net	4,507,621	3,715,032
Other receivables	239,114	226,345
Prepaid expenses	22,554	33,064
Investments	8,114,265	8,492,416
Beneficial interest in foundation assets	2,458,976	2,540,976
Cash surrender value of life insurance (\$700,000 face value)	117,502	117,829
Land, buildings and equipment, net	807,768	845,226
Total assets	\$ 16,748,632	\$ 16,385,259
Liabilities and Net Assets		
Accounts payable	\$ 149,168	\$ 104,737
Accrued expenses	89,748	84,983
Allocations and designations payable	7,540,401	7,304,812
Total liabilities	7,779,317	7,494,532
Commitments		
Net Assets:		
Unrestricted:		
Unappropriated	4,504,778	5,169,558
Board appropriated	628,600	578,866
Temporarily restricted	2,829,906	2,136,272
Permanently restricted	1,006,031	1,006,031
Total net assets	8,969,315	8,890,727
Total liabilities and net assets	\$ 16,748,632	\$ 16,385,259

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, 2015
With Summarized Information for 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2015	Total 2014
Support and revenue					
Gross campaign results	\$ 9,117,359	\$ 667,857	\$ -	\$ 9,785,216	\$ 9,376,990
Less donor designations	(2,921,567)	-	-	(2,921,567)	(2,271,920)
Less provision for uncollectible	(345,825)	-	-	(345,825)	(244,725)
Net current campaign revenue	5,849,967	667,857	-	6,517,824	6,860,345
Campaign revenue – prior campaign	31,509	-	-	31,509	228
Campaign revenue – future campaign, net	-	1,023,298	-	1,023,298	432,503
Net campaign revenue	5,881,476	1,691,155	-	7,572,631	7,293,076
Net income (loss) from investments	56,724	(100)	-	56,624	807,392
Net income from beneficial interest in foundation assets	459	2,895	-	3,354	394,649
Designations – other community campaigns	225,106	-	-	225,106	218,177
Grant and gift revenue	45,118	840,559	-	885,677	108,048
Other revenue	253,228	-	-	253,228	115,770
Net assets released from restrictions	1,840,875	(1,840,875)	-	-	-
Total support and revenue	8,302,986	693,634	-	8,996,620	8,937,112
Functional expenses					
Allocations and grants	5,598,005	-	-	5,598,005	5,627,801
Other community programs	1,302,207	-	-	1,302,207	1,152,532
Administration	1,130,512	-	-	1,130,512	1,124,149
Fund development	887,308	-	-	887,308	666,506
Total functional expenses	8,918,032	-	-	8,918,032	8,570,988
Change in net assets	(615,046)	693,634	-	78,588	366,124
Net assets, beginning of year	5,748,424	2,136,272	1,006,031	8,890,727	8,524,603
Net assets, end of year	\$ 5,133,378	\$ 2,829,906	\$ 1,006,031	\$ 8,969,315	\$ 8,890,727

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

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2014
Support and revenue				
Gross campaign results	\$ 9,183,051	\$ 193,939	\$ -	\$ 9,376,990
Less donor designations	(2,271,920)	-	-	(2,271,920)
Less provision for uncollectible	(244,725)	-	-	(244,725)
Net current campaign revenue	6,666,406	193,939	-	6,860,345
Campaign revenue – prior campaign	228	-	-	228
Campaign revenue – future campaign, net	-	432,503	-	432,503
Net campaign revenue	6,666,634	626,442	-	7,293,076
Net income from investments	795,022	12,370	-	807,392
Net income from beneficial interest in foundation assets	58,190	336,459	-	394,649
Designations – other community campaigns	218,177	-	-	218,177
Grant and gift revenue	75,000	33,048	-	108,048
Other revenue	115,770	-	-	115,770
Net assets released from restrictions	914,173	(914,173)	-	-
Total support and revenue	8,842,966	94,146	-	8,937,112
Functional expenses				
Allocations and grants	5,627,801	-	-	5,627,801
Other community programs	1,152,532	-	-	1,152,532
Administration	1,124,149	-	-	1,124,149
Fund development	666,506	-	-	666,506
Total functional expenses	8,570,988	-	-	8,570,988
Change in net assets	271,978	94,146	-	366,124
Net assets, beginning of year	5,476,446	2,042,126	1,006,031	8,524,603
Net assets, end of year	\$ 5,748,424	\$ 2,136,272	\$ 1,006,031	\$ 8,890,727

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

United Way of Greater Greensboro, Inc.

Statements of Cash Flows

June 30, 2015 and 2014

	2015	2014
Cash flows from operating activities		
Change in net assets	\$ 78,588	\$ 366,124
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Provision for uncollectible pledges	371,437	245,740
Depreciation	72,569	79,117
Loss (gain) on disposal of equipment	(6,162)	251
Net gain on investments including change in beneficial interest	(59,978)	(1,202,041)
Contribution restricted for investment in endowment	-	(75,000)
Changes in assets and liabilities:		
Pledges receivable	(1,164,026)	891,930
Other receivables	(12,769)	48,464
Prepaid expenses	10,510	(11,239)
Accounts payable and accrued expenses	49,196	34,881
Allocations and designations payable	235,589	(478,494)
Net cash used in operating activities	(425,046)	(100,267)
Cash flows from investing activities		
Purchase of investments	(3,206,950)	(3,483,082)
Proceeds from sale of investments	3,642,052	3,430,022
Payment from Foundation	85,354	80,738
Purchase of furniture and equipment	(35,306)	(5,708)
Proceeds on disposal of equipment	6,357	-
Net cash provided by investing activities	491,507	21,970
Net change in cash and cash equivalents	66,461	(78,297)
Cash and cash equivalents, beginning of year	414,371	492,668
Cash and cash equivalents, end of year	\$ 480,832	\$ 414,371

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

	Program Services		
	Allocations and Grants	Other Community Programs	Total
Allocations and awards	\$8,512,118	\$ 528,388	\$9,040,506
Less donor designations	(2,921,567)	-	(2,921,567)
Discretionary allocations	5,590,551	528,388	6,118,939
Salaries and contracted labor	5,301	526,668	531,969
Employee benefits	656	69,695	70,351
Payroll taxes	388	37,662	38,050
Total salaries and related costs	6,345	634,025	640,370
Support of state and national United Way	361	38,728	39,089
Professional fees	44	4,792	4,836
Fund raising materials and events	101	26,056	26,157
Depreciation	193	20,677	20,870
Occupancy	175	18,694	18,869
Printing, publications and advertising	28	6,539	6,567
Telephone and internet service	60	7,682	7,742
Rental and maintenance of equipment	47	5,391	5,438
Staff development	44	7,583	7,627
Postage and shipping	30	541	571
Travel	7	1,055	1,062
Membership dues and subscriptions	17	713	730
Local meetings	2	441	443
Sponsorship	-	227	227
Miscellaneous	-	675	675
Total other expenses	1,109	139,794	140,903
Total functional expenses	\$5,598,005	\$1,302,207	\$6,900,212

United Way of Greater Greensboro, Inc.

Statements of Functional Expenses

Year Ended June 30, 2015

Support Services			
Administration	Fund Development	Total	Total
\$ -	\$ -	\$ -	\$9,040,506
-	-	-	(2,921,567)
-	-	-	6,118,939
697,401	548,851	1,246,252	1,778,221
83,030	58,543	141,573	211,924
47,519	40,742	88,261	126,311
827,950	648,136	1,476,086	2,116,456
62,422	34,406	96,828	135,917
95,256	4,209	99,465	104,301
23,185	100,736	123,921	150,078
33,328	18,370	51,698	72,568
30,132	16,608	46,740	65,609
13,456	17,226	30,682	37,249
11,027	7,347	18,374	26,116
8,136	16,037	24,173	29,611
7,817	3,315	11,132	18,759
4,290	7,804	12,094	12,665
1,812	5,254	7,066	8,128
3,575	1,074	4,649	5,379
152	627	779	1,222
906	159	1,065	1,292
7,068	6,000	13,068	13,743
302,562	239,172	541,734	682,637
\$ 1,130,512	\$ 887,308	\$2,017,820	\$8,918,032

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

	Program Services		
	Allocations and Grants	Other Community Programs	Total
Allocations and awards	\$7,869,938	\$ 494,826	\$8,364,764
Less donor designations	(2,271,920)	-	(2,271,920)
Discretionary allocations	5,598,018	494,826	6,092,844
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
Total salaries and related costs	24,536	541,586	566,122
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	-	-	-
Total other expenses	5,247	116,120	121,367
Total functional expenses	\$5,627,801	\$1,152,532	\$6,780,333

United Way of Greater Greensboro, Inc.

Statements 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.

United Way of Greater Greensboro, Inc.

Summary of Significant Accounting Policies

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.

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, 2015 and 2014, a single donor comprised \$1,510,000 and \$500,000 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.

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 measured at fair value as of June 30, 2015:

	Level 1	Level 2	Level 3	Total
Investments	\$ 8,114,265	\$ -	\$ -	\$ 8,114,265
Beneficial interest in foundation assets	-	-	2,458,976	2,458,976
	\$ -	\$ -	\$ 2,458,976	\$ 10,573,241

The following are the assets 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

There were no liabilities measured at fair value at June 30, 2015 and 2014.

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. (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, 2015 and 2014, 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. 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:

	2015	2014
Balance, beginning of year	\$ 2,540,976	\$2,152,065
Realized gains	59,945	92,596
Net unrealized gain (loss)	(56,591)	302,053
Appropriations	(85,354)	(80,738)
Contributions	-	75,000
Balance, end of year	\$ 2,458,976	\$2,540,976

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

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 2015 or 2014.
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 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.
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	<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 2015 and 2014. Currently, the statute of limitations remains open subsequent to and including fiscal 2012; however, no examinations are in process.

Subsequent Events

Management has evaluated events occurring subsequent through September 23, 2015, 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>	2015	2014
Pledges receivable from current year campaign	\$ 4,423,928	\$ 4,164,666
Pledges receivable for future campaigns	542,931	1,015
Allowance for uncollectible pledges	(459,238)	(450,649)
Total	\$ 4,507,621	\$ 3,715,032

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

<i>Year ended June 30,</i>	2015	2014
Initial reserve (4.5% of campaign pledges in 2015 and 2014)	\$ 460,430	\$ 383,951
Write-offs from prior years' campaigns, net of collections of amounts previously written off	(88,993)	(138,211)
	\$ 371,437	\$ 245,740

Included in the statements of activities as follows:

<i>Year ended June 30,</i>	2015	2014
Unrestricted (current and past campaigns)	\$ 345,825	\$ 244,725
Temporarily restricted (future campaign)	25,612	1,015
	\$ 371,437	\$ 245,740

United Way of Greater Greensboro, Inc.

Notes to Financial Statements

2. Investments

Investments, at fair value, consist of the following:

<i>June 30,</i>	2015	2014
Money market funds, at cost which approximates fair value	\$ 266,246	\$ 503,973
Other mutual funds (cost of \$399,437 and \$621,303)	369,843	640,355
Corporate bonds and U.S. Treasury notes (cost of \$4,562,918 and \$4,501,751)	4,468,694	4,496,569
Common stock (cost of \$2,865,634 and \$2,446,634)	3,009,482	2,851,519
Totals	\$ 8,114,265	\$ 8,492,416

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, 2015</i>	<u>Investment Directed By</u>		Total
	Foundation	Organization	
Interest and dividends	\$ 59,945	\$ 289,739	\$ 349,684
Loss on investments carried at fair value	(56,591)	(233,115)	(289,706)
	\$ 3,354	\$ 56,624	\$ 59,978

<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
	\$ 394,649	\$ 807,392	\$ 1,202,041

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, 2015 and 2014. 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 12 quarters to determine the endowment distributions to be received by the Organization. A distribution of 4.00% was received for 2015 and 2014.

United Way of Greater Greensboro, Inc.

Notes to Financial Statements

3. Endowment Funds (Continued)

At June 30, 2015, endowment net assets by type of fund comprised:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Board-designated endowment funds	\$ 404,499	\$ -	\$ -	\$ 404,499
Donor-restricted endowment funds	-	1,143,714	1,006,031	2,149,745
	\$ 404,499	\$ 1,143,714	\$ 1,006,031	\$ 2,554,244

The following summarizes changes in endowment net assets for the year ended June 30, 2015:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 415,614	\$ 1,215,255	\$ 1,006,031	\$ 2,636,900
Investment return:				
Investment income	4,641	25,830	-	30,471
Net change in value (realized and unrealized)	(4,182)	(23,591)	-	(27,773)
Total investment return	459	2,239	-	2,698
Appropriation of endowment assets	(11,574)	(73,780)	-	(85,354)
Endowment net assets, end of year	\$ 404,499	\$ 1,143,714	\$ 1,006,031	\$ 2,554,244

United Way of Greater Greensboro, Inc.

Notes to Financial Statements

3. Endowment Funds (Concluded)

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

The following endowment funds are categorized as temporarily restricted:

<i>June 30,</i>	2015	2014
Neil Belenky Endowment	\$ 284,347	\$ 294,153
Growth in donor-restricted funds	859,367	921,102
	\$ 1,143,714	\$ 1,215,255

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 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 \$2,458,976 and \$2,540,976 at June 30, 2015 and 2014.

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

<i>June 30,</i>	2015	2014
Land and improvements	\$ 220,812	\$ 220,812
Buildings and improvements	1,192,535	1,192,535
Furniture and equipment	650,102	660,217
Projects in progress	14,978	-
	2,078,427	2,073,564
Less accumulated depreciation	1,270,659	1,228,338
Land, buildings and equipment, net	\$ 807,768	\$ 845,226

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

<i>June 30,</i>	2015	2014
Growth in donor-restricted endowment funds	\$ 859,367	\$ 921,102
Family Success Center	838,506	-
Contributions received for next year's campaign (net of designations and allowances)	494,978	432,503
Neil Belenky Endowment	284,347	294,153
Thriving at Three Educational Grant	239,704	328,679
Mentoring Initiative	58,963	109,746
Latino Professional Forum	10,849	10,849
211 Expansion Plan	10,797	6,602
Ask Me Three	10,000	-
Access to Healthcare Grant	7,681	20,000
Meaningful Meals Project	4,821	4,821
Other	9,893	7,817
	\$ 2,829,906	\$ 2,136,272

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>	2015	2014
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

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 \$64,000 and \$41,000 during 2015 and 2014.