

# United Way of Greater Greensboro, Inc.

Financial Statements  
Years Ended June 30, 2018 and 2017



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

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Financial Statements  
Years Ended June 30, 2018 and 2017

# United Way of Greater Greensboro, Inc.

## 2017/2018 Officers and Board of Directors

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### Officers

|                        |   |  |
|------------------------|---|--|
| Gregg Strader          | - | Chair of the Board                       |
| Adam Tarleton          | - | Secretary of the Board and Legal Counsel |
| Michelle Gethers-Clark | - | President and CEO                        |
| Mike Gillis            | - | Treasurer                                |

### Board of Directors

|                        |                           |
|------------------------|---------------------------|
| Darryl Aaron           | Mark Kiel                 |
| Charlos Banks          | Chris Langley             |
| Ty Bilderback          | Dr. Paul Leslie           |
| Tina Akers Brown       | Dr. Samantha Magill       |
| Chuck Burns            | Richard Newman            |
| Pete Callahan          | Brian Pierce              |
| Michele Deuteran       | Dr. Antonia Monk Richburg |
| Mike Diamond           | Judy Schanel              |
| Mae Douglas            | Bob Scheppegregell        |
| Angela Bullard Fox     | Gregg Strader             |
| Kimberly B. Gatling    | Aaron Strasser            |
| Michelle Gethers-Clark | Adam Tarleton             |
| Jacquelean Gilliam     | Jane Trevey               |
| Mike Gillis            | Jim Westmoreland          |
| Sandra Harris          | Sue D. White              |
| John Houghtby          | Benjamin Zuraw            |
| Jeff Johnson           |                           |

# United Way of Greater Greensboro, Inc.

## Contents

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|  |              |
|--|--------------|
| <b>Independent Auditor's Report</b>  | <b>4-5</b>   |
| <b>Financial Statements</b>  |              |
| Statements of financial position   | <b>6</b>     |
| Statement of activities – year ended June 30, 2018<br>with summarized information for 2017 | <b>7</b>     |
| Statement of activities – year ended June 30, 2017   | <b>8</b>     |
| Statements of cash flows   | <b>9</b>     |
| Statement of functional expenses – year ended June 30, 2018                                | <b>10</b>    |
| Statement of functional expenses – year ended June 30, 2017                                | <b>11</b>    |
| Summary of significant accounting policies   | <b>12-17</b> |
| Notes to financial statements  | <b>18-24</b> |



## **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, 2018 and 2017, 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, 2018 and 2017, 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  
February 1, 2019

# United Way of Greater Greensboro, Inc.

## Statements of Financial Position June 30, 2018 and 2017

|  | 2018                 | 2017                 |
|--|----------------------|----------------------|
| <b>Assets</b>  |                      |                      |
| Cash and cash equivalents  | \$ 2,139,556         | \$ 600,011           |
| Pledges receivable, net  | 2,648,281            | 3,071,912            |
| Other receivables  | 192,292              | 290,407              |
| Prepaid expenses   | 20,060               | 63,627               |
| Investments  | 9,373,336            | 8,488,654            |
| Beneficial interest in Foundation assets   | 2,952,277            | 2,873,200            |
| Cash surrender value of life insurance (\$666,000<br>and \$690,000 face value at June 30, 2018 and 2017) | 102,966              | 109,623              |
| Land, buildings and equipment, net   | 877,949              | 945,935              |
| <b>Total assets</b>  | <b>\$ 18,306,717</b> | <b>\$ 16,443,369</b> |
| <b>Liabilities and Net Assets</b>  |                      |                      |
| Accounts payable   | \$ 150,344           | \$ 134,892           |
| Accrued expenses   | 49,394               | 47,265               |
| Allocations and designations payable   | 5,895,058            | 5,970,512            |
| <b>Total liabilities</b>   | <b>6,094,796</b>     | <b>6,152,669</b>     |
| <b>Commitments</b> (Notes 6, 7 and 8)  |                      |                      |
| <b>Net Assets</b>  |                      |                      |
| Unrestricted:  |                      |                      |
| Unappropriated   | 6,527,691            | 5,302,007            |
| Board appropriated   | 886,953              | 853,687              |
| Temporarily restricted   | 3,641,246            | 2,978,975            |
| Permanently restricted   | 1,156,031            | 1,156,031            |
| <b>Total net assets</b>  | <b>12,211,921</b>    | <b>10,290,700</b>    |
| <b>Total liabilities and net assets</b>  | <b>\$ 18,306,717</b> | <b>\$ 16,443,369</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, 2018 with Summarized Information for 2017

|  | Unrestricted        | Temporarily<br>Restricted | Permanently<br>Restricted | <b>Total<br/>2018</b> | Total<br>2017 |
|--|---------------------|---------------------------|---------------------------|-----------------------|---------------|
| <b>Support and revenue</b>               |                     |                           |                           |                       |               |
| Gross campaign revenue                   | \$ 9,217,456        | \$ 1,105,419              | \$ -                      | <b>\$ 10,322,875</b>  | \$ 9,302,120  |
| Less donor designations                  | (1,541,554)         | -                         | -                         | <b>(1,541,554)</b>    | (1,622,146)   |
| Less provision for uncollectible         | (285,735)           | -                         | -                         | <b>(285,735)</b>      | (284,699)     |
| Net current campaign revenue             | 7,390,167           | 1,105,419                 | -                         | <b>8,495,586</b>      | 7,395,275     |
| Campaign revenue – prior campaign, net   | (1,683)             | -                         | -                         | <b>(1,683)</b>        | (18,176)      |
| Campaign revenue – future campaign, net  | -                   | 595,939                   | -                         | <b>595,939</b>        | 802,699       |
| Net campaign revenue                     | 7,388,484           | 1,701,358                 | -                         | <b>9,089,842</b>      | 8,179,798     |
| Net income from investments              | 433,768             | 8,147                     | -                         | <b>441,915</b>        | 647,785       |
| Net income from beneficial interest in   |                     |                           |                           |                       |               |
| Foundation assets                        | 42,476              | 138,882                   | -                         | <b>181,358</b>        | 346,253       |
| Designations – other community campaigns | 140,616             | -                         | -                         | <b>140,616</b>        | 253,409       |
| Grant and gift revenue                   | 13,316              | 333,294                   | -                         | <b>346,610</b>        | 355,098       |
| Sponsorship income                       | 152,104             | -                         | -                         | <b>152,104</b>        | 162,274       |
| Other revenue                            | 60,484              | -                         | -                         | <b>60,484</b>         | 88,126        |
| Net assets released from restrictions    | 1,519,410           | (1,519,410)               | -                         | -                     | -             |
| <b>Total support and revenue</b>         | <b>9,750,658</b>    | <b>662,271</b>            | <b>-</b>                  | <b>10,412,929</b>     | 10,032,743    |
| <b>Functional expenses</b>               |                     |                           |                           |                       |               |
| Allocations and grants                   | 4,863,741           | -                         | -                         | <b>4,863,741</b>      | 5,043,815     |
| Other community programs                 | 1,853,669           | -                         | -                         | <b>1,853,669</b>      | 1,643,859     |
| Administration                           | 836,634             | -                         | -                         | <b>836,634</b>        | 1,031,089     |
| Fund development                         | 937,664             | -                         | -                         | <b>937,664</b>        | 783,771       |
| <b>Total functional expenses</b>         | <b>8,491,708</b>    | <b>-</b>                  | <b>-</b>                  | <b>8,491,708</b>      | 8,502,534     |
| <b>Change in net assets</b>              | <b>1,258,950</b>    | <b>662,271</b>            | <b>-</b>                  | <b>1,921,221</b>      | 1,530,209     |
| <b>Net assets, beginning of year</b>     | <b>6,155,694</b>    | <b>2,978,975</b>          | <b>1,156,031</b>          | <b>10,290,700</b>     | 8,760,491     |
| <b>Net assets, end of year</b>           | <b>\$ 7,414,644</b> | <b>\$ 3,641,246</b>       | <b>\$ 1,156,031</b>       | <b>\$ 12,211,921</b>  | \$10,290,700  |

*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

|  | Unrestricted        | Temporarily<br>Restricted | Permanently<br>Restricted | Total<br>2017        |
|--|---------------------|---------------------------|---------------------------|----------------------|
| <b>Support and revenue</b>                               |                     |                           |                           |                      |
| Gross campaign revenue                                   | \$ 8,632,912        | \$ 669,208                | \$ -                      | \$ 9,302,120         |
| Less donor designations                                  | (1,622,146)         | -                         | -                         | (1,622,146)          |
| Less provision for uncollectible                         | (284,699)           | -                         | -                         | (284,699)            |
| Net current campaign revenue                             | 6,726,067           | 669,208                   | -                         | 7,395,275            |
| Campaign revenue – prior campaign                        | (18,176)            | -                         | -                         | (18,176)             |
| Campaign revenue – future campaign, net                  | -                   | 802,699                   | -                         | 802,699              |
| Net campaign revenue                                     | 6,707,891           | 1,471,907                 | -                         | 8,179,798            |
| Net income from investments                              | 638,527             | 9,258                     | -                         | 647,785              |
| Net income from beneficial interest in Foundation assets | 82,249              | 264,004                   | -                         | 346,253              |
| Designations – other community campaigns                 | 253,409             | -                         | -                         | 253,409              |
| Grant and gift revenue                                   | 197,326             | 7,772                     | 150,000                   | 355,098              |
| Sponsorship income                                       | 162,274             | -                         | -                         | 162,274              |
| Other revenue  | 88,126              | -                         | -                         | 88,126               |
| 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>Functional expenses</b>                               |                     |                           |                           |                      |
| Allocations and grants                                   | 5,043,815           | -                         | -                         | 5,043,815            |
| Other community programs                                 | 1,643,859           | -                         | -                         | 1,643,859            |
| Administration   | 1,031,089           | -                         | -                         | 1,031,089            |
| Fund development   | 783,771             | -                         | -                         | 783,771              |
| <b>Total functional expenses</b>                         | <b>8,502,534</b>    | <b>-</b>                  | <b>-</b>                  | <b>8,502,534</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>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>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> |

*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, 2018 and 2017

|   | 2018                | 2017              |
|---|---------------------|-------------------|
| <b>Cash flows from operating activities</b>   |                     |                   |
| Change in net assets  | \$ 1,921,221        | \$ 1,530,209      |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |                     |                   |
| Provision for uncollectible pledges   | 310,566             | 317,451           |
| Depreciation  | 98,015              | 84,446            |
| Gain on disposal of equipment   | -                   | 1,290             |
| Net gain on investments including change in beneficial interest                             | (623,273)           | (994,038)         |
| Funds received to be held in endowment  | -                   | (175,000)         |
| Changes in assets and liabilities:  |                     |                   |
| Pledges receivable  | 113,065             | 232,861           |
| Other receivables   | 98,115              | (44,871)          |
| Prepaid expenses  | 43,567              | (9,786)           |
| Accounts payable and accrued expenses   | 17,581              | (148,551)         |
| Allocations and designations payable  | (75,454)            | (568,878)         |
| <b>Net cash provided by operating activities</b>  | <b>1,903,403</b>    | <b>225,133</b>    |
| <b>Cash flows from investing activities</b>   |                     |                   |
| Purchase of investments   | (3,047,081)         | (1,896,125)       |
| Proceeds from sale of investments   | 2,610,971           | 1,527,189         |
| Payment from Foundation   | 102,281             | 94,623            |
| Purchase of equipment   | (30,029)            | (155,925)         |
| <b>Net cash used in investing activities</b>  | <b>(363,858)</b>    | <b>(430,238)</b>  |
| <b>Net change in cash and cash equivalents</b>  | <b>1,539,545</b>    | <b>(205,105)</b>  |
| <b>Cash and cash equivalents, beginning of year</b>   | <b>600,011</b>      | <b>805,116</b>    |
| <b>Cash and cash equivalents, end of year</b>   | <b>\$ 2,139,556</b> | <b>\$ 600,011</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, 2018

|  | Program Services          |                       |                     | Support Services |             |                     | Total               |
|--|---------------------------|-----------------------|---------------------|------------------|-------------|---------------------|---------------------|
|  | Allocations<br>and Grants | Other                 | Total               | Administration   | Fund        | Total               |                     |
|  |                           | Community<br>Programs | Program<br>Services |                  | Development | Support<br>Services |                     |
| Allocations and awards                   | \$ 6,392,190              | \$ 967,916            | \$ 7,360,106        | \$ -             | \$ -        | \$ -                | <b>\$ 7,360,106</b> |
| Less donor designations                  | (1,541,554)               | -                     | (1,541,554)         | -                | -           | -                   | <b>(1,541,554)</b>  |
| <b>Discretionary allocations</b>         | 4,850,636                 | 967,916               | 5,818,552           | -                | -           | -                   | <b>5,818,552</b>    |
| Salaries and contracted labor            | 8,832                     | 525,713               | 534,545             | 560,664          | 642,264     | 1,202,928           | <b>1,737,473</b>    |
| Employee benefits                        | 1,237                     | 69,724                | 70,961              | 65,127           | 76,284      | 141,411             | <b>212,372</b>      |
| Payroll taxes                            | 522                       | 33,869                | 34,391              | 33,409           | 44,981      | 78,390              | <b>112,781</b>      |
| <b>Total salaries and related costs</b>  | 10,591                    | 629,306               | 639,897             | 659,200          | 763,529     | 1,422,729           | <b>2,062,626</b>    |
| Support of state and national United Way | 497                       | 65,188                | 65,685              | 38,649           | 34,720      | 73,369              | <b>139,054</b>      |
| Professional fees                        | 394                       | 51,403                | 51,797              | 31,511           | 27,366      | 58,877              | <b>110,674</b>      |
| Depreciation                             | 350                       | 46,111                | 46,461              | 27,157           | 24,396      | 51,553              | <b>98,014</b>       |
| Fund raising materials and events        | 197                       | 22,983                | 23,180              | 13,429           | 32,314      | 45,743              | <b>68,923</b>       |
| Occupancy                                | 519                       | 20,355                | 20,874              | 29,716           | 11,371      | 41,087              | <b>61,961</b>       |
| Printing, publications and advertising   | 78                        | 13,311                | 13,389              | 6,073            | 8,028       | 14,101              | <b>27,490</b>       |
| Rental and maintenance of equipment      | 61                        | 10,831                | 10,892              | 4,816            | 7,339       | 12,155              | <b>23,047</b>       |
| Telephone and internet service           | 59                        | 8,362                 | 8,421               | 5,966            | 5,195       | 11,161              | <b>19,582</b>       |
| Staff development                        | 142                       | 5,698                 | 5,840               | 7,287            | 4,162       | 11,449              | <b>17,289</b>       |
| Postage and shipping                     | 66                        | 617                   | 683                 | 3,719            | 7,563       | 11,282              | <b>11,965</b>       |
| Travel                                   | 24                        | 872                   | 896                 | 1,482            | 4,564       | 6,046               | <b>6,942</b>        |
| Membership dues and subscriptions        | 16                        | 2,458                 | 2,474               | 1,497            | 2,140       | 3,637               | <b>6,111</b>        |
| Local meetings                           | 2                         | 724                   | 726                 | 103              | 1,081       | 1,184               | <b>1,910</b>        |
| Sponsorship                              | 30                        | 44                    | 74                  | 1,466            | 67          | 1,533               | <b>1,607</b>        |
| Miscellaneous                            | 79                        | 7,490                 | 7,569               | 4,563            | 3,829       | 8,392               | <b>15,961</b>       |
| <b>Total other expenses</b>              | 2,514                     | 256,447               | 258,961             | 177,434          | 174,135     | 351,569             | <b>610,530</b>      |
| <b>Total functional expenses</b>         | \$ 4,863,741              | \$ 1,853,669          | \$ 6,717,410        | \$ 836,634       | \$ 937,664  | \$ 1,774,298        | <b>\$ 8,491,708</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 |             |                     |              |
|--|---------------------------|-----------------------|---------------------|------------------|-------------|---------------------|--------------|
|  | Allocations<br>and Grants | Other                 | Total               | Administration   | Fund        | Support<br>Services | Total        |
|  |                           | Community<br>Programs | Program<br>Services |                  | Development |                     |              |
| Allocations and awards                   | \$ 6,694,803              | \$ 779,220            | \$ 7,474,023        | \$ -             | \$ -        | \$ -                | \$ 7,474,023 |
| Less donor designations                  | (1,662,146)               | -                     | (1,662,146)         | -                | -           | -                   | (1,662,146)  |
| <b>Discretionary allocations</b>         | 5,032,657                 | 779,220               | 5,811,877           | -                | -           | -                   | 5,811,877    |
| Salaries and contracted labor            | 2,430                     | 517,871               | 520,301             | 686,319          | 529,274     | 1,215,593           | 1,735,894    |
| Employee benefits                        | 2,894                     | 81,004                | 83,898              | 99,551           | 73,754      | 173,305             | 257,203      |
| Payroll taxes                            | 1,495                     | 35,866                | 37,361              | 41,639           | 37,116      | 78,755              | 116,116      |
| <b>Total salaries and related costs</b>  | 6,819                     | 634,741               | 641,560             | 827,509          | 640,144     | 1,467,653           | 2,109,213    |
| Support of state and national United Way | 1,112                     | 62,693                | 63,805              | 55,813           | 30,080      | 85,893              | 149,698      |
| Depreciation                             | 628                       | 35,365                | 35,993              | 31,484           | 16,969      | 48,453              | 84,446       |
| Professional fees                        | 600                       | 33,830                | 34,430              | 30,118           | 16,232      | 46,350              | 80,780       |
| Occupancy                                | 556                       | 31,329                | 31,885              | 27,891           | 15,032      | 42,923              | 74,808       |
| Fund raising materials and events        | 270                       | 25,205                | 25,475              | 17,284           | 26,574      | 43,858              | 69,333       |
| Printing, publications and advertising   | 202                       | 13,545                | 13,747              | 8,101            | 9,391       | 17,492              | 31,239       |
| Rental and maintenance of equipment      | 102                       | 9,302                 | 9,404               | 5,127            | 6,306       | 11,433              | 20,837       |
| Telephone and internet service           | 160                       | 8,257                 | 8,417               | 7,998            | 4,397       | 12,395              | 20,812       |
| Postage and shipping                     | 248                       | 1,066                 | 1,314               | 4,074            | 6,159       | 10,233              | 11,547       |
| Travel                                   | 217                       | 868                   | 1,085               | 2,518            | 5,146       | 7,664               | 8,749        |
| Membership dues and subscriptions        | 20                        | 1,392                 | 1,412               | 3,569            | 1,298       | 4,867               | 6,279        |
| Staff development                        | 83                        | (214)                 | (131)               | 2,343            | 2,340       | 4,683               | 4,552        |
| Local meetings                           | 17                        | 553                   | 570                 | 60               | 388         | 448                 | 1,018        |
| Sponsorship                              | 5                         | 16                    | 21                  | 783              | 38          | 821                 | 842          |
| Miscellaneous                            | 119                       | 6,691                 | 6,810               | 6,417            | 3,277       | 9,694               | 16,504       |
| <b>Total other expenses</b>              | 4,339                     | 229,898               | 234,237             | 203,580          | 143,627     | 347,207             | 581,444      |
| <b>Total functional expenses</b>         | \$ 5,043,815              | \$ 1,643,859          | \$ 6,687,674        | \$ 1,031,089     | \$ 783,771  | \$ 1,814,860        | \$ 8,502,534 |

*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 in hopes 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. Unconditional promises to give due in more than one year are recognized at fair value, using a rate commensurate with the risks involved. 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, 2018, one donor comprised \$300,000 of pledges receivable and at June 30, 2017, two donors comprised \$675,000 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.

# United Way of Greater Greensboro, Inc.

## Summary of Significant Accounting Policies

### Investments

Investments are recorded at fair value. Gains and losses are reported as increases or decreases in unrestricted net assets in the statement of activities unless their use is restricted by explicit donor stipulations or law, in which case they are reported as increases or decreases in temporarily or permanently restricted net assets 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. (the "Foundation") (Notes 3 and 4) as part of its Long-term Pool. The Foundation'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, 2018:

|  | Level 1      | Level 2 | Level 3      | Total         |
|--|--------------|---------|--------------|---------------|
| Investments                              | \$ 9,373,336 | \$ -    | \$ -         | \$ 9,373,336  |
| Beneficial interest in Foundation assets | -            | -       | 2,952,277    | 2,952,277     |
|  | \$ 9,373,336 | \$ -    | \$ 2,952,277 | \$ 12,325,613 |

# 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, 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 |

There were no liabilities measured at fair value at June 30, 2018 and 2017.

The Organization has classified its portion of the total fair value of the underlying securities held by 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, 2018 and 2017, 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, 2018 and 2017 are as follows:

|                            | 2018         | 2017         |
|----------------------------|--------------|--------------|
| Balance, beginning of year | \$ 2,873,200 | \$ 2,446,570 |
| Realized gains             | 74,238       | 58,166       |
| Net unrealized gains       | 107,120      | 288,087      |
| Appropriations             | (102,281)    | (94,623)     |
| Contributions              | -            | 175,000      |
| Balance, end of year       | \$ 2,952,277 | \$ 2,873,200 |

### 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 2018 or 2017.

### **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 campaign 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 by 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 2018 and 2017. Currently, the statute of limitations remains open subsequent to and including fiscal 2015; 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 February 1, 2019, 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>2018</b>         | 2017         |
|---|---------------------|--------------|
| Pledges receivable from current year campaign | \$ <b>3,044,547</b> | \$ 3,447,650 |
| Pledges receivable for future campaigns       | <b>30,401</b>       | 47,108       |
| Gross unconditional promises to give          | <b>3,074,948</b>    | 3,494,758    |
| Discount on multi-year pledges                | <b>(4,321)</b>      | -            |
| Allowance for uncollectible pledges           | <b>(422,346)</b>    | (422,846)    |
| <b>Total</b>                                  | <b>\$ 2,648,281</b> | \$ 3,071,912 |
| Amounts due in:                               |                     |              |
| Less than one year                            | \$ <b>2,954,948</b> |              |
| One to five years                             | <b>120,000</b>      |              |
| Gross unconditional promises to give          | <b>\$ 3,074,948</b> |              |

At June 30, 2018, promises to give were discounted at a rate of 4.5%, which will remain unchanged for the life of those promises to give.

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

| <i>Year ended June 30,</i>   | <b>2018</b>       | 2017       |
|--|-------------------|------------|
| Initial reserve (4.0% of campaign pledges in 2018 and 2017)                                  | \$ <b>319,959</b> | \$ 399,670 |
| Write-offs from prior years' campaigns, net of collections of amounts previously written off | <b>(9,393)</b>    | (82,219)   |
|  | <b>\$ 310,566</b> | \$ 317,451 |

Included in the statements of activities as follows:

| <i>Year ended June 30,</i>                | <b>2018</b>       | 2017       |
|---|-------------------|------------|
| Unrestricted (current and past campaigns) | \$ <b>285,735</b> | \$ 284,699 |
| Temporarily restricted (future campaign)  | <b>24,831</b>     | 32,752     |
|   | <b>\$ 310,566</b> | \$ 317,451 |

# 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>2018</b>         | 2017                |
|---|---------------------|---------------------|
| Money market funds, at cost which approximates fair value           | <b>\$ 1,721,146</b> | \$ 139,933          |
| Bond and fixed interest funds (cost of \$4,714,002 and \$4,929,541) | <b>4,560,159</b>    | 4,852,151           |
| Other mutual funds (cost of \$2,493,621 and \$2,970,731)            | <b>3,025,090</b>    | 3,429,455           |
| Common stock (cost of \$56,887 and \$58,029)                        | <b>66,941</b>       | 67,115              |
| <b>Totals</b>   | <b>\$ 9,373,336</b> | <b>\$ 8,488,654</b> |

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

| <i>Year ended June 30, 2018</i>           | Investment Directed by |                   | Total             |
|---|------------------------|-------------------|-------------------|
|   | Foundation             | Organization      |                   |
| Interest and dividends                    | \$ 74,238              | \$ 223,696        | \$ 297,934        |
| Gain on investments carried at fair value | 107,120                | 218,219           | 325,339           |
|   | <b>\$ 181,358</b>      | <b>\$ 441,915</b> | <b>\$ 623,273</b> |

| <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           |
|   | <b>\$ 346,253</b>      | <b>\$ 647,785</b> | <b>\$ 994,038</b> |

### 3. Endowment Funds

The Organization's endowments are invested with the Community Foundation of Greater Greensboro, Inc. (the "Foundation") (Note 4) or in managed accounts with other trustees at the discretion of the Board of Directors. The Organization's 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

# United Way of Greater Greensboro, Inc.

## Notes to Financial Statements

### 3. Endowment Funds (Continued)

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, 2018 and 2017. 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 2018 and 2017.

At June 30, 2018, endowment net assets by type of fund comprised:

|                                  | Unrestricted | Temporarily Restricted | Permanently Restricted | Total        |
|----------------------------------|--------------|------------------------|------------------------|--------------|
| Board-designated endowment funds | \$ 692,514   | \$ -                   | \$ -                   | \$ 692,514   |
| Donor-restricted endowment funds | -            | 1,200,155              | 1,156,031              | 2,356,186    |
|                                  | \$ 692,514   | \$ 1,200,155           | \$ 1,156,031           | \$ 3,048,700 |

The following summarizes changes in endowment net assets for the year ended June 30, 2018.

|   | Unrestricted | Temporarily Restricted | Permanently Restricted | Total        |
|---|--------------|------------------------|------------------------|--------------|
| Endowment net assets, beginning of year       | \$ 673,957   | \$ 1,135,609           | \$ 1,156,031           | \$ 2,965,597 |
| Investment return:                            |              |                        |                        |              |
| Investment income                             | 8,916        | 36,828                 | -                      | 45,744       |
| Net change in value (realized and unrealized) | 33,560       | 110,199                | -                      | 143,759      |
| Total investment return                       | 42,476       | 147,027                | -                      | 189,503      |
| Appropriation of endowment assets             | (23,919)     | (82,481)               | -                      | (106,400)    |
| Endowment net assets, end of year             | \$ 692,514   | \$ 1,200,155           | \$ 1,156,031           | \$ 3,048,700 |

# United Way of Greater Greensboro, Inc.

## Notes to Financial Statements

### 3. Endowment Funds (Concluded)

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

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

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

|   | Unrestricted      | Temporarily<br>Restricted | Permanently<br>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             | <b>\$ 673,957</b> | <b>\$ 1,135,609</b>       | <b>\$ 1,156,031</b>       | <b>\$ 2,965,597</b> |

The following endowment funds are categorized as temporarily restricted.

| <i>June 30,</i>                  | <b>2018</b>         | 2017         |
|----------------------------------|---------------------|--------------|
| Neil Belenky Endowment           | <b>\$ 290,196</b>   | \$ 283,174   |
| Growth in donor-restricted funds | <b>909,959</b>      | 852,435      |
|                                  | <b>\$ 1,200,155</b> | \$ 1,135,609 |

### 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 \$2,952,277 and \$2,873,200 at June 30, 2018 and 2017.

# 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>2018</b>       | 2017       |
|------------------------------------|-------------------|------------|
| Land and improvements              | \$ 220,812        | \$ 220,812 |
| Buildings and improvements         | 1,364,092         | 1,349,092  |
| Furniture and equipment            | 606,734           | 591,705    |
|                                    | <b>2,191,638</b>  | 2,161,609  |
| Less accumulated depreciation      | 1,313,689         | 1,215,674  |
| Land, buildings and equipment, net | <b>\$ 877,949</b> | \$ 945,935 |

### 6. Restricted Net Assets

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

| <i>June 30,</i>  | <b>2018</b>         | 2017         |
|--|---------------------|--------------|
| Family Success Center  | \$ 1,541,278        | \$ 926,599   |
| Growth in donor-restricted endowment funds   | 909,959             | 852,435      |
| Contributions received for next year's campaign (net of designations and allowances) | 595,939             | 752,620      |
| Neil Belenky Endowment   | 290,196             | 283,174      |
| 2018 Tornado Relief  | 125,498             | -            |
| Thriving at Three Initiative   | 108,029             | 107,931      |
| Mentoring Initiative   | 27,623              | 14,894       |
| 211 Expansion Plan   | 13,705              | 13,705       |
| Latino Professional Forum  | 10,849              | 10,849       |
| Meaningful Meals Project   | 5,881               | 5,881        |
| Other  | 12,289              | 10,887       |
|  | <b>\$ 3,641,246</b> | \$ 2,978,975 |

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

| <i>June 30,</i>               | <b>2018</b>         | 2017         |
|-------------------------------|---------------------|--------------|
| Joseph Bryan Endowment        | \$ 500,000          | \$ 500,000   |
| Herman Cone Endowment         | 408,602             | 408,602      |
| Tobee Kaplan Endowment        | 150,000             | 150,000      |
| Jeanette Cone Trust           | 50,000              | 50,000       |
| Lawrence Cohen Emergency Fund | 47,429              | 47,429       |
|                               | <b>\$ 1,156,031</b> | \$ 1,156,031 |

# 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 \$58,000 and \$81,000 during 2018 and 2017.

### 8. Subsequent Event

During fiscal 2019, the Organization agreed with the Salvation Army of Greensboro ("SASGO"), that SASGO would assume responsibility for the day-to-day operations of the Organization's Family Success Center and the Organization would provide financial support to SASGO of up to \$500,000 annually. The agreement is initially effective from September 2018 through June 2019 and provides for optional annual renewals for three years.

### 9. 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 replaces all previous guidance on recognition of revenue. The ASU (as amended) is effective in periods beginning after December 15, 2018 (fiscal 2020 for the Organization). Management is currently assessing the impact that this guidance will have on the Organization's future financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which replaces all previous guidance on leases and will require entities to recognize assets and liabilities arising from operating leases. The ASU (as amended) is effective for fiscal years beginning after December 15, 2019 (fiscal 2021 for the Organization), with early application permitted. In July 2018, the FASB issued ASU No. 2018-11, *Leases (Topic 842): Targeted Improvements*, which provided an alternative transition method when initially applying ASU 2016-02. Organizations may elect to apply ASU 2016-02 at the beginning of the earliest period presented or recognize a cumulative effect adjustment to the opening balance of net assets in the period of adoption. Management is currently assessing the impact that this guidance will have on the Organization's future financial statements.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which eliminates previous thresholds for recording credit losses on financial instruments (including pledge receivables) and requires companies to utilize an expected credit loss model. The amendments are effective for fiscal years beginning after December 15, 2020 (fiscal 2022 for the Organization). Management is currently assessing the impact that this guidance will 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 (fiscal 2019 for the Organization), with early application of the amendments permitted. Management is currently assessing the impact of this update on the Organization's financial statements.



# United Way of Greater Greensboro, Inc.

## Notes to Financial Statements

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### 9. Recent Accounting Pronouncements (Concluded)

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*, which clarifies how certain cash receipts and payments are presented and classified in the statement of cash flows. The ASU is effective for fiscal years beginning after December 15, 2018 (fiscal 2020 for the Organization), with early application permitted. Management does not expect this guidance to materially impact the Organization's future financial statements.

In June 2018, the FASB issued ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which will assist entities in evaluating whether transactions should be accounted for as contributions or as exchange transactions and determining whether a contribution is conditional. The ASU is effective for periods beginning after December 15, 2018 (fiscal 2020 for the Organization), with early adoption permitted. Management is currently assessing the impact of this guidance on future financial statements.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*, which modifies disclosure requirements related to fair value measurements. The ASU is effective for fiscal years beginning after December 15, 2019 (fiscal 2021 for the Organization), with early application permitted. Management does not expect this guidance to materially impact the Organization's future financial statements.