

Financial Statements and Report of Independent
Certified Public Accountants

United Way of the Greater Triangle, Inc.

As of December 31, 2013 and 2012

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of
United Way of the Greater Triangle, Inc.:

We have audited the accompanying financial statements of **United Way of the Greater Triangle, Inc.**, which comprise the statement of financial position as of December 31, 2013 and 2012, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related 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 the Greater Triangle, Inc. as of December 31, 2013 and 2012, 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.

GRANT THORNTON LLP

Raleigh, North Carolina
September 9, 2014

Statements of financial position

December 31	2013	2012
	\$	\$
Assets		
Current assets:		
Cash and cash equivalents	4,316,809	3,501,580
Investments	197,836	107,075
Contributions receivable, net	8,590,899	8,602,415
Other receivables	227,184	209,527
Prepaid expenses and other	69,396	57,586
Total current assets	13,402,124	12,478,183
Property and equipment, net	71,406	115,554
Total assets	13,473,530	12,593,737
Liabilities and net assets		
Current liabilities:		
Donor designations payable	4,189,525	4,386,352
Allocations payable	52,358	18,289
Accounts payable and accrued expenses	303,244	195,271
Current portion of capital lease obligations	2,058	7,277
Total current liabilities	4,547,185	4,607,189
Deferred rent	69,976	56,804
Capital lease obligations, net of current portion	3,702	6,162
Total liabilities	4,620,863	4,670,155
Net assets:		
Unrestricted:		
Board designated	309,723	198,540
Undesignated	1,348,112	1,972,970
Total unrestricted	1,657,835	2,171,510
Temporarily restricted	7,164,832	5,722,072
Permanently restricted	30,000	30,000
Total net assets	8,852,667	7,923,582
Total liabilities and net assets	13,473,530	12,593,737

The accompanying notes are an integral part of these financial statements.

Statement of activities and changes in net assets

For the year ended December 31, 2013	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
	\$	\$	\$	\$
Support and revenue:				
Campaign promises to give received:				
Prior year campaigns	3,296,522	-	-	3,296,522
Current year campaign	-	11,321,279	-	11,321,279
Less - Donor designations	(1,163,837)	(4,132,560)	-	(5,296,397)
Less - Estimated uncollectible promises to give	-	(242,674)	-	(242,674)
Net campaign revenue	2,132,685	6,946,045	-	9,078,730
Grants	618,604	301,519	-	920,123
Administrative fees earned	527,932	-	-	527,932
Investment income	22,742	-	-	22,742
Other income	252,907	-	-	252,907
	1,422,185	301,519	-	1,723,704
Net assets released from restrictions	5,804,804	(5,804,804)	-	-
Total support and revenue	9,359,674	1,442,760	-	10,802,434
Expenses:				
Program expenses:				
Allocations	5,420,786	-	-	5,420,786
Direct services	1,008,606	-	-	1,008,606
Community Impact	1,084,028	-	-	1,084,028
Supporting services:				
Fundraising	1,242,230	-	-	1,242,230
Administration	1,117,699	-	-	1,117,699
Total expenses	9,873,349	-	-	9,873,349
Changes in net assets	(513,675)	1,442,760	-	929,085
Net assets, beginning of year	2,171,510	5,722,072	30,000	7,923,582
Net assets, end of year	1,657,835	7,164,832	30,000	8,852,667

The accompanying notes are an integral part of this financial statement.

Statement of activities and changes in net assets

(cont'd)

For the year ended December 31, 2012	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
	\$	\$	\$	\$
Support and revenue:				
Campaign promises to give received:				
Prior year campaigns	2,167,959	-	-	2,167,959
Current year campaign	-	10,685,128	-	10,685,128
Less - Donor designations	-	(4,766,686)	-	(4,766,686)
Less - Estimated uncollectible promises to give	-	(371,703)	-	(371,703)
Net campaign revenue	2,167,959	5,546,739	-	7,714,698
Grants	-	370,911	-	370,911
Administrative fees earned	761,366	-	-	761,366
Investment income	21,378	-	-	21,378
Other income	389,239	-	-	389,239
	1,171,983	370,911	-	1,542,894
Net assets released from restrictions	6,601,887	(6,601,887)	-	-
Total support and revenue	9,941,829	(684,237)	-	9,257,592
Expenses:				
Program expenses:				
Allocations	5,332,489	-	-	5,332,489
Direct services	497,144	-	-	497,144
Community Impact	870,216	-	-	870,216
Supporting services:				
Fundraising	1,492,229	-	-	1,492,229
Administration	1,231,999	-	-	1,231,999
Total expenses	9,424,077	-	-	9,424,077
Changes in net assets	517,752	(684,237)	-	(166,485)
Net assets, beginning of year	1,653,758	6,406,309	30,000	7,923,582
Net assets, end of year	2,171,510	5,722,072	30,000	7,757,097

The accompanying notes are an integral part of this financial statement.

Statement of functional expenses

For the year ended December 31, 2013	Program Services				Support Services			Totals
	Allocations	Direct	Community	Total	Fundraising	Administration	Totals	
		Services	Impact					
	\$	\$	\$	\$	\$	\$	\$	
Distributions to Community Agencies	5,420,786	-	-	5,420,786	-	-	-	5,420,786
Salaries and temp help	-	204,884	566,441	771,325	722,510	556,417	1,278,927	2,050,252
Promotion, printing and supplies	-	790	7,578	8,368	11,863	4,450	16,313	24,681
Membership dues and subscriptions	-	18,591	54,638	73,229	68,203	60,582	128,785	202,014
Rent and occupancy costs	-	67,694	71,428	139,122	107,143	150,510	257,653	396,775
Payroll taxes	-	14,809	40,941	55,750	49,716	37,762	87,478	143,228
Employee benefits	-	45,643	126,189	171,832	153,234	116,389	269,623	441,455
Contracted services and technical consultation	-	94,515	64,214	158,729	31,798	15,537	47,335	206,064
Depreciation	-	4,098	9,561	13,659	14,342	20,147	34,489	48,148
Conferences, travel and training	-	2,301	48,736	51,037	29,510	20,618	50,128	101,165
Business / financial service fees	-	-	-	-	-	38,712	38,712	38,712
Professional fees	-	-	37,110	37,110	5,500	51,085	56,585	93,695
Office services and supplies	-	6,421	16,636	23,057	21,717	31,877	53,594	76,651
Computer services and supplies	-	23,821	2,236	26,057	3,354	4,839	8,193	34,250
Special events	-	501	30,474	30,975	20,685	3,050	23,735	54,710
Insurance	-	721	1,682	2,403	2,523	3,544	6,067	8,470
Interest expense	-	-	-	-	-	501	501	501
Client services	-	523,809	-	523,809	-	-	-	523,809
Miscellaneous expenses	-	8	6,164	6,172	132	1,679	1,811	7,983
	5,420,786	1,008,606	1,084,028	7,513,420	1,242,230	1,117,699	2,359,929	9,873,349

The accompanying notes are an integral part of this financial statement.

Statement of functional expenses (cont'd)

For the year ended December 31, 2012	Program Services				Support Services			Totals
	Allocations	Direct	Community	Total	Fundraising	Administration	Totals	
		Services	Impact					
	\$	\$	\$	\$	\$	\$	\$	
Distributions to Community Agencies	5,332,489	-	-	5,332,489	-	-	-	5,332,489
Salaries and temp help	-	210,134	541,114	751,248	883,728	622,656	1,506,384	2,257,632
Promotion, printing and supplies	-	2,199	621	2,820	16,758	7,498	24,256	27,076
Membership dues and subscriptions	-	18,105	47,615	65,720	70,186	67,512	137,698	203,418
Rent and occupancy costs	-	64,313	65,766	130,079	113,995	135,917	249,912	379,991
Payroll taxes	-	15,113	38,918	54,031	56,405	42,346	98,751	152,782
Employee benefits	-	45,107	116,154	161,261	168,346	126,385	294,731	455,992
Contracted services and technical consultation	-	94,332	13,699	108,031	60,961	17,403	78,364	186,395
Depreciation	-	4,467	11,166	15,633	19,355	23,077	42,432	58,065
Conferences, travel and training	-	1,811	15,814	17,625	33,473	33,120	66,593	84,218
Business / financial service fees	-	-	-	-	-	36,105	36,105	36,105
Professional fees	-	-	-	-	-	69,379	69,379	69,379
Office services and supplies	-	5,985	14,228	20,213	21,336	27,969	49,305	69,518
Computer services and supplies	-	23,210	1,349	24,559	3,506	4,371	7,877	32,436
Special events	-	11,742	67	11,809	41,381	10,385	51,766	63,575
Insurance	-	568	1,421	1,989	2,463	2,936	5,399	7,388
Interest expense	-	-	-	-	-	1,619	1,619	1,619
Miscellaneous expenses	-	58	2,284	2,342	336	3,321	3,657	5,999
	5,332,489	497,144	870,216	6,699,849	1,492,229	1,231,999	2,724,228	9,424,077

The accompanying notes are an integral part of this financial statement.

Statements of cash flows

For the years ended December 31	2013	2012
	\$	\$
Cash flows from operating activities:		
Change in net assets	929,085	(166,485)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation expense	48,148	58,065
Loss on disposal of property and equipment	-	1,324
Change in cash arising from changes in assets and liabilities:		
Contributions receivable, net	11,516	1,417,841
Other receivables	(17,657)	16,221
Prepaid expenses and other	(11,810)	15,171
Donor designations payable	(196,827)	(701,727)
Allocations payable	34,069	(39,905)
Accounts payable, accrued expenses, and other liabilities	121,145	11,783
Funds held in agency	(761)	(1,743)
Net cash provided by operating activities	916,908	610,545
Cash flows from investing activities:		
Proceeds from disposal of investments	-	286,951
Purchase of investments	(90,000)	(2,063)
Purchases of property and equipment	(4,000)	(16,191)
Net cash (used) provided by investing activities	(94,000)	268,697
Cash flows from financing activities – Payments made under capital lease obligations	(7,679)	(2,466)
Net increase in cash and cash equivalents	815,229	876,776
Cash and cash equivalents, beginning of year	3,501,580	2,624,804
Cash and cash equivalents, end of year	4,316,809	3,501,580
Supplemental cash flow information – Interest paid	501	1,619

The accompanying notes are an integral part of these financial statements.

Notes to the financial statements

1 Organization and Significant Accounting Policies and Practices

Organization

United Way of the Greater Triangle, Inc. (the Organization) was formed in 1996 for the purpose of consolidating the resources of the Durham County, Orange County and Wake County United Way organizations and to streamline activities to better serve the needs of the people in the Greater Triangle region of North Carolina. In July 2009, the United Way of Johnston County merged into the Organization. The Organization conducts an annual Triangle-wide fundraising campaign on behalf of the counties it encompasses.

Effective April 28, 2009, the Organization's legal name was changed from Triangle United Way, Inc. to United Way of the Greater Triangle, Inc.

Significant accounting policies and practices of the Organization are as follows:

Basis of Presentation

The financial statements of the Organization are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Cash and Cash Equivalents

The Organization considers all demand deposits at financial institutions and all highly liquid debt instruments purchased with original maturities of three months or less to be cash and cash equivalents. All of the Organization's non-interest bearing cash balances were fully insured through December 31, 2012, due to a temporary federal program in effect from December 31, 2010 through December 31, 2012. Under the program, there was no limit to the amount of insurance eligible accounts. Beginning January 1, 2013, insurance coverage reverted to \$250,000 per depositor at each financial institution. The Organization's non-interest bearing cash balance exceeded federally insured limits during 2013.

Investments

Investments at December 31, 2013 and 2012 consist of certificates of deposit with original maturities in excess of three months, and an endowment fund consisting of: cash, money market, equity, fixed income, debt securities, and alternative investments. Certificates of deposit are stated at cost which approximates fair value. Investments held by Triangle Community Foundation Legacy Society Fund (the Fund), an endowment style fund, are recorded at fair value based on available market prices and data. Each year 5% of the Fund's balance is considered spendable and invested in cash or a similarly liquid investment. As of December 31, 2013 and 2012, the Organization held investments in the Fund of \$169,960 (with \$153,594 spendable) and \$79,302 (with \$59,142 spendable), respectively. The fair value of the Organization's proportional share of alternative investments held in the Fund as of December 31, 2013 and 2012 was approximately \$4,000 and \$6,000, respectively.

Financial Instruments and Credit Risk Concentration

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist primarily of short-term investments (cash equivalents) and contributions receivable. The Organization's investment policy is intended to limit its exposure to credit risk. The Organization has not experienced any significant losses in such accounts and believes it is not exposed to any significant financial risk therein.

Contributions Receivable

Unconditional promises to give are expected to be collected within one campaign cycle, which is typically the 18-month period beginning each August. Conditional promises to give are not included as support until such time as the conditions upon which they depend are substantially met.

An allowance for uncollectible, undesignated promises to give is established at the completion of each annual campaign. The allowance for uncollectible promises to give is based on historical collection experience and management's estimates of the collectability of the promises received. The calculation of uncollectible promises to give is based on net campaign revenue. The allowance for uncollectible promises to give as of December 31, 2013 and 2012 was established at \$589,510, or approximately 7% of the 2013 campaign, and \$551,354, or approximately 7% of the 2012 campaign. Changes in the allowance for the years ended December 31, 2013 and 2012 were as follows:

	2013	2012
	\$	\$
Balance, beginning of year	551,354	502,560
Additions to reserve	423,149	420,497
Write-offs	(384,993)	(371,703)
Balance, end of year	589,510	551,354

Allocations

Allocations result from contributions by donors that are not specifically directed to individual organizations and agencies. These funds are allocated for distribution to various member agencies and programs based on need and other criteria deemed appropriate by the Board of Directors (the Board). Total allocations are accrued at the conclusion of each annual fundraising campaign when approved by the Board, which is done in January of the following year.

Designations

Designations result from contributions by donors that are specifically directed to individual organizations and agencies. When received, these funds are distributed to the intended organizations, net of an administrative fee.

Property and Equipment

Property and equipment are stated at cost for purchased assets and at market value on the date of the gift for donated assets. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, generally 3 to 7 years. Maintenance, repairs and minor equipment purchases are expensed when incurred.

The Organization reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions as the donated or acquired long-lived assets are constructed or placed in service.

The Organization reviews its long-lived assets for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. If this review indicates that the asset will not be recoverable, based on the expected cash flows of the related asset, an impairment loss is recognized and the asset's carrying value is reduced. No such impairment loss was recognized during the years ended December 31, 2013 and 2012.

Contributions

Contributions are recognized as revenue at the time the contribution or unconditional promise to give is received either by the Organization or an agent of the Organization, net of estimated uncollectible amounts. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts that are restricted for future periods or for specific purposes are reported as temporarily or permanently restricted support and increase those net asset classes. When a donor restriction expires, that is, when a stipulated time restriction ends or donor restriction is met, contributions are reported as net assets released from restrictions in the statement of activities and changes in net assets.

Donated securities are recorded at their fair market value at the date of the gift.

Donated Services

The Organization recognizes donated services as those that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. No material donated services meeting these requirements for recognition in the financial statements were received during the years ended December 31, 2013 and 2012.

A significant amount of services not meeting the requirements for recognition in the financial statements have been contributed by others towards the general operation and success of the Organization.

Investment Income

Investment income is credited to unrestricted net assets in the period earned, unless such income has been designated as restricted by donors.

Grants

The Organization receives grant income from federal agencies and private industry sources to help support its direct service efforts. Federal grants were received through the North Carolina Department of Health and Human Services – Division of Aging and Adult Services under the Emergency Solutions Grant. In 2013, the Organization recognized \$523,809 in federal grant revenue and \$396,314 in private industry grant revenue. In 2012, the Organization recognized \$370,911 in private industry grant revenue.

Temporarily Restricted Net Assets

Temporarily restricted net assets consist of the current year net campaign revenue, which is time restricted, and grant dollars from the John Rex Youth Thrive Initiative, which are purpose restricted. Substantially all temporarily restricted net assets released from restriction during 2013 and 2012 were released due to the expiration of time restrictions only.

Permanently Restricted Net Assets

The Broughton Scholarship fund was established in the amount of \$20,000 by the family of Melville Broughton to provide scholarships to staff members of Wake County's member agencies. The assets are subject to donor-imposed restrictions that the assets be permanently maintained by the Organization and that the donor has permitted the Organization to use the funds only for specific purposes. The Broughton Volunteer Award recognizes excellence in volunteer service to the nonprofit community, and the Broughton Scholarship Award supports a recipient agency's training budget. No amounts were expended from this fund during 2013 and 2012.

Triangle Community Foundation maintains a Legacy Society Fund for the future benefit of the Organization. This Fund includes a permanently restricted balance of \$10,000 as of December 31, 2013 and 2012.

Functional Classification of Expenses

Operating expenses are allocated to specific functions based on management estimates of time and resources devoted to those functions. The following functional expense classifications are included in the foregoing financial statements:

Direct Services

Includes activities that deliver services funded by other sources other than the annual campaign, including:

- United Way 2-1-1, a community human services information and referral service which links individuals in need of services to those available services in the community.
- Teaming for Technology, a community service of the Organization, refurbishes donated computer equipment for nonprofit organizations and educational institutions to help them leverage resources, enhance delivery of services and improve technological efficiencies. The donated computer equipment received is not recorded as an asset by the Organization.
- Federal grants were received through the North Carolina Department of Health and Human Services – Division on Aging and Adult Services under the Emergency Solutions Grant.

Community Impact

Includes activities for ensuring that donors' gifts are invested wisely in the community and to examine the needs in each county and to determine how gifts to the Organization can be maximized to achieve measurable results. The Organization's teams use assessments and other data to identify the gaps in human services and a need. The Organization also has a committee assigned to ensure that all agencies meet accountability standards of United Way membership.

Fundraising

Includes activities of the Organization's Resource Development Department, which has primary responsibility for cultivating fundraising efforts for the Organization. This department runs the annual campaign and cultivates new resources and opportunities to raise funds to support health and human services in the communities of Durham, Johnston, Wake and Orange counties. Through the Organization's Give United Fund, donations are directed to meeting the most critical needs in the local community.

Administration

Includes costs of activities related to the overall direction of the Organization. These expenses are not identifiable with a particular program or event or with fundraising, but are indispensable to the conduct of those activities and are essential to the Organization. Specific activities include organization oversight, business management, human resources, finance, information technology and other administrative activities.

Concentrations

The Organization's annual fundraising campaigns are concentrated in the Triangle region of North Carolina. In addition, one company in the region accounted for approximately 23% of the Organization's total 2013 and 2012 campaign years' results.

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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain immaterial amounts in the prior period presented have been reclassified to conform to the current period financial statement presentation. These reclassifications had no effect on total net assets as previously reported.

Tax Status

The Organization is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income tax under the provisions of Section 501(a). Certain nonexempt activities are subject to federal income taxes. No such nonexempt activities were undertaken during 2013 or 2012.

2 Property and Equipment

Property and equipment consists of the following at December 31:

	2013	2012
	\$	\$
Computer, equipment and software	197,584	197,544
Furniture and fixtures	98,268	98,268
Office equipment	77,384	64,650
Leasehold improvements	35,606	35,606
Assets under capital lease	53,755	66,489
	<u>462,597</u>	<u>462,557</u>
Accumulated depreciation	(391,191)	(347,003)
Property and equipment, net	<u>71,406</u>	<u>115,554</u>

Depreciation expense for the years ended December 31, 2013 and 2012, totaled \$48,148 and \$58,065, respectively.

Capital Leases

The Organization has financed equipment under capital lease agreements.

Future minimum lease payments under the capital lease agreement as of December 31, 2013, are as follows:

	Amount
	\$
2014	2,712
2015	2,712
2016	729
	<u>6,153</u>
Less – Interest portion	(393)
Less – Current portion	(2,058)
Capital lease obligation	<u>3,702</u>

The net book value of assets held under capital leases at December 31, 2013 and 2012 was \$6,564 and \$12,809, respectively. Accumulated depreciation at December 31, 2013 and 2012 includes accumulated amortization for the assets held under the capital leases of \$47,190 and \$50,881, respectively. Amortization expense for the assets held under the capital leases was \$6,411 and \$12,393 for the years ended December 31, 2013 and 2012, respectively, and is included in depreciation expense.

3 Board-designated Net Assets

The Organization's Board has the ability to designate net assets for certain funds. A description of those funds is as follows:

Suther Funds

The C. M. and Margaret D. Suther Memorial Fund was established in 1980. Criteria established by the Trust Advisory Committee of Wachovia Bank guides the disbursement of the income from this fund to the Organization to support "renovations, repairs and capital improvements" in Durham County. The Durham Cabinet oversees the distribution of this fund once distributions have been approved by the Board, which is limited to member agencies.

Response Funds

The intent of response funds is to allocate one-time grants to nonprofit health and human services agencies to address needs in the following categories: unanticipated emergencies, community partnership opportunities and discretionary funds for individual/family needs. The Cabinets are responsible for the management of these funds. The Cabinets review all completed applications and recommend grants throughout the year to both member and nonmember agencies.

Special Allocations

Once county allocations have been established for the Give United Fund, the Cabinets may decide to hold some funds back to address future critical needs. The Cabinets are responsible for making the decision as to when and to whom to release the funds.

Designated Net Assets

At December 31, 2013, the Board had designated net assets to specific counties in the Greater Triangle region of North Carolina as follows:

	For the Benefit of					Total
	Durham	Orange	Wake	Johnston	UWGT	
	\$	\$	\$	\$	\$	\$
Response funds	20,515	4,767	58,367	7,814	-	91,463
Suther funds	90,901	-	-	-	-	90,901
Special allocations	-	-	-	-	127,359	127,359
	111,416	4,767	58,367	7,814	127,359	309,723

At December 31, 2012, the Board had designated net assets to specific counties in the Greater Triangle region of North Carolina as follows:

	For the Benefit of					Total
	Durham	Orange	Wake	Johnston	UWGT	
	\$	\$	\$	\$	\$	\$
Response funds	11,602	3,552	61,583	2,853	-	79,590
Suther funds	100,661	-	-	-	-	100,661
Special allocations	-	-	-	-	18,289	18,289
	112,263	3,552	61,583	2,853	18,289	198,540

4 Operating Leases

The Organization leases office facilities under escalating operating leases expiring through 2017. Rent expense is recognized on the straight-line basis over the term of the lease agreement, and was approximately \$223,000 for both the years ended December 31, 2013 and 2012.

Future minimum rentals under noncancelable operating leases are as follows at December 31, 2013:

	Amount
	\$
2014	230,126
2015	236,032
2016	225,576
2017	142,895
	834,629

5 Retirement Plans

The Organization sponsors a noncontributory defined contribution pension plan (the Plan) covering all employees who qualify as to age and length of service. The Organization contributes 7% of each participant's eligible compensation to the Plan on an annual basis. Employer contributions to the Plan for the years ended December 31, 2013 and 2012 were \$115,165 and \$132,420, respectively.

The Organization has also established a thrift plan, which is available to all employees who meet the eligibility requirements. The thrift plan includes an employer match up to a maximum employee contribution of 4% of eligible salary. Employer contributions to the thrift plan for the years ended December 31, 2013 and 2012 were \$59,784 and \$53,315, respectively.

6 Subsequent Events

The Organization has evaluated subsequent events through September 9, 2014, which represents the date the financial statements were available to be issued.