

**UNITED WAY OF THE GREATER
TRIANGLE, INC.**

FINANCIAL STATEMENTS

*As of and for the Years Ended June 30, 2015
and 2014*

And Report of Independent Auditor

UNITED WAY OF THE GREATER TRIANGLE, INC.

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Report of Independent Auditor

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. (the "Organization"), which comprise the statements of financial position as of June 30, 2015 and 2014, 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 June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Raleigh, North Carolina
September 15, 2015

UNITED WAY OF THE GREATER TRIANGLE, INC.
STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 3,694,242	\$ 4,056,043
Investments	188,417	197,694
Contributions receivable, net	4,637,921	4,656,054
Other receivables	289,598	177,894
Prepaid expenses and other	50,028	64,791
Total Current Assets	<u>8,860,206</u>	<u>9,152,476</u>
Property and equipment, net	29,250	54,633
Total Assets	<u><u>\$ 8,889,456</u></u>	<u><u>\$ 9,207,109</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Donor designations payable	\$ 2,081,011	\$ 2,231,022
Allocations payable	2,603,550	2,801,018
Accounts payable and accrued expenses	438,144	401,883
Current portion of capital lease obligations	1,992	2,110
Total Current Liabilities	<u>5,124,697</u>	<u>5,436,033</u>
Deferred rent	51,874	67,668
Capital lease obligations, net of current portion	-	2,425
Total Liabilities	<u>5,176,571</u>	<u>5,506,126</u>
Net Assets:		
Unrestricted:		
Board designated	148,131	169,410
Undesignated	3,286,565	2,958,092
Total Unrestricted	<u>3,434,696</u>	<u>3,127,502</u>
Temporarily restricted	248,189	543,481
Permanently restricted	30,000	30,000
Total Net Assets	<u>3,712,885</u>	<u>3,700,983</u>
Total Liabilities and Net Assets	<u><u>\$ 8,889,456</u></u>	<u><u>\$ 9,207,109</u></u>

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

UNITED WAY OF THE GREATER TRIANGLE, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and Revenue:				
Campaign Promises to Give Received:				
Prior year campaigns	\$ 348,349	\$ -	\$ -	\$ 348,349
Current year campaigns	13,240,248	-	-	13,240,248
Less - donor designations	(4,694,835)	-	-	(4,694,835)
Less - estimated uncollectible promises to give	(407,314)	-	-	(407,314)
Net Campaign Revenue	<u>8,486,448</u>	<u>-</u>	<u>-</u>	<u>8,486,448</u>
Grants	969,885	4,500	-	974,385
Administrative fees earned	435,977	-	-	435,977
Investment income	25,291	-	-	25,291
Other income	277,842	4,095	-	281,937
	<u>1,708,995</u>	<u>8,595</u>	<u>-</u>	<u>1,717,590</u>
Net assets released from restrictions	<u>303,887</u>	<u>(303,887)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>10,499,330</u>	<u>(295,292)</u>	<u>-</u>	<u>10,204,038</u>
Expenses:				
Program Expenses:				
Community investments	6,057,562	-	-	6,057,562
Direct services	465,930	-	-	465,930
Community impact	1,327,710	-	-	1,327,710
Supporting Services:				
Fundraising	1,192,207	-	-	1,192,207
Administration	1,148,727	-	-	1,148,727
Total Expenses	<u>10,192,136</u>	<u>-</u>	<u>-</u>	<u>10,192,136</u>
Changes in net assets	307,194	(295,292)	-	11,902
Net assets, beginning of year	<u>3,127,502</u>	<u>543,481</u>	<u>30,000</u>	<u>3,700,983</u>
Net assets, end of year	<u>\$ 3,434,696</u>	<u>\$ 248,189</u>	<u>\$ 30,000</u>	<u>\$ 3,712,885</u>

UNITED WAY OF THE GREATER TRIANGLE, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and Revenue:				
Campaign Promises to Give Received:				
Prior year campaigns	\$ 662,481	\$ -	\$ -	\$ 662,481
Current year campaigns	13,429,150	-	-	13,429,150
Less - donor designations	(4,853,764)	-	-	(4,853,764)
Less - estimated uncollectible promises to give	(353,636)	-	-	(353,636)
Net Campaign Revenue	<u>8,884,231</u>	<u>-</u>	<u>-</u>	<u>8,884,231</u>
Grants	360,845	583,797	-	944,642
Administrative fees earned	473,990	-	-	473,990
Investment income	26,533	-	-	26,533
Other income	253,242	-	-	253,242
	<u>1,114,610</u>	<u>583,797</u>	<u>-</u>	<u>1,698,407</u>
Net assets released from restrictions	<u>255,114</u>	<u>(255,114)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>10,253,955</u>	<u>328,683</u>	<u>-</u>	<u>10,582,638</u>
Expenses:				
Program Expenses:				
Community investments	5,847,836	-	-	5,847,836
Direct services	463,224	-	-	463,224
Community impact	1,188,730	-	-	1,188,730
Supporting Services:				
Fundraising	1,211,121	-	-	1,211,121
Administration	1,033,281	-	-	1,033,281
Total Expenses	<u>9,744,192</u>	<u>-</u>	<u>-</u>	<u>9,744,192</u>
Changes in net assets	509,763	328,683	-	838,446
Net assets, beginning of year	<u>2,617,739</u>	<u>214,798</u>	<u>30,000</u>	<u>2,862,537</u>
Net assets, end of year	<u>\$ 3,127,502</u>	<u>\$ 543,481</u>	<u>\$ 30,000</u>	<u>\$ 3,700,983</u>

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

UNITED WAY OF THE GREATER TRIANGLE, INC.
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2015

	Program Services			Support Services			Total	
	Community Investments	Direct Services	Community Impact	Fundraising	Administration	Total		
Distributions to community agencies	\$ 6,057,562	\$ -	\$ -	\$ 6,057,562	\$ -	\$ -	\$ -	\$ 6,057,562
Salaries and temp help	-	199,284	751,632	950,916	750,942	590,174	1,341,116	2,292,032
Promotion, printing, and supplies	-	2,954	4,817	7,771	20,778	12,425	33,203	40,974
Membership dues and subscriptions	-	219	5,054	5,273	9,561	10,753	20,314	25,587
Rent and occupancy costs	-	69,786	81,525	151,311	74,732	151,728	226,460	377,771
Payroll taxes	-	14,052	52,998	67,050	50,720	41,614	92,334	159,384
Employee benefits	-	39,302	148,236	187,538	141,864	116,393	258,257	445,795
Contracted services and technical consultation	-	95,180	78,623	173,803	20,647	24,945	45,592	219,395
Depreciation	-	2,326	6,977	9,303	6,396	12,986	19,382	28,685
Affiliation dues	-	14,108	53,209	67,317	50,922	41,779	92,701	160,018
Conferences, travel, and training	-	2,087	46,551	48,638	22,057	28,122	50,179	98,817
Business/financial service fees	-	-	-	-	-	39,960	39,960	39,960
Professional fees	-	-	3,000	3,000	-	24,406	24,406	27,406
Office services and supplies	-	5,240	13,081	18,321	13,139	23,372	36,511	54,832
Computer services and supplies	-	19,722	3,434	23,156	3,148	16,401	19,549	42,705
Special events	-	190	76,028	76,218	24,741	7,205	31,946	108,164
Insurance	-	848	2,545	3,393	2,333	4,737	7,070	10,463
Interest expense	-	-	-	-	-	169	169	169
Miscellaneous expenses	-	632	-	632	227	1,558	1,785	2,417
	<u>\$ 6,057,562</u>	<u>\$ 465,930</u>	<u>\$ 1,327,710</u>	<u>\$ 7,851,202</u>	<u>\$ 1,192,207</u>	<u>\$ 1,148,727</u>	<u>\$ 2,340,934</u>	<u>\$ 10,192,136</u>

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

UNITED WAY OF THE GREATER TRIANGLE, INC.
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2014

	Program Services			Support Services				
	Community Investments	Direct Services	Community Impact	Total	Fundraising	Administration	Total	Total
Distributions to community agencies	\$ 5,847,836	\$ -	\$ -	\$ 5,847,836	\$ -	\$ -	\$ -	\$ 5,847,836
Salaries and temp help	-	192,595	640,061	832,656	720,764	500,870	1,221,634	2,054,290
Promotion, printing, and supplies	-	754	5,907	6,661	14,459	5,716	20,175	26,836
Membership dues and subscriptions	-	27	2,833	2,860	8,499	11,745	20,244	23,104
Rent and occupancy costs	-	68,649	84,730	153,379	87,151	142,831	229,982	383,361
Payroll taxes	-	13,811	45,899	59,710	49,338	33,636	82,974	142,684
Employee benefits	-	41,112	136,628	177,740	146,866	100,125	246,991	424,731
Contracted services and technical consultation	-	94,915	74,872	169,787	15,262	13,121	28,383	198,170
Depreciation	-	3,526	10,285	13,811	10,579	17,337	27,916	41,727
Affiliation dues	-	16,341	54,307	70,648	58,376	39,798	98,174	168,822
Conferences, travel, and training	-	2,930	40,349	43,279	33,563	32,702	66,265	109,544
Business/financial service fees	-	-	-	-	-	52,457	52,457	52,457
Professional fees	-	-	-	-	12,140	41,385	53,525	53,525
Office services and supplies	-	7,028	19,304	26,332	19,014	29,940	48,954	75,286
Computer services and supplies	-	20,430	2,682	23,112	2,759	5,037	7,796	30,908
Special events	-	378	68,517	68,895	29,976	2,174	32,150	101,045
Insurance	-	728	2,122	2,850	2,183	3,577	5,760	8,610
Interest expense	-	-	-	-	-	300	300	300
Miscellaneous expenses	-	-	234	234	192	530	722	956
	<u>\$ 5,847,836</u>	<u>\$ 463,224</u>	<u>\$ 1,188,730</u>	<u>\$ 7,499,790</u>	<u>\$ 1,211,121</u>	<u>\$ 1,033,281</u>	<u>\$ 2,244,402</u>	<u>\$ 9,744,192</u>

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

UNITED WAY OF THE GREATER TRIANGLE, INC.
STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Change in net assets	\$ 11,902	\$ 838,446
Adjustments to reconcile changes in net assets to net cash flows from operating activities:		
Depreciation expense	28,685	41,727
Realized/unrealized (gain) losses on investments	9,277	(953)
Change in net assets and liabilities:		
Contributions receivable, net	18,133	79,015
Other receivables	(111,704)	(156,171)
Prepaid expenses and other	14,763	7,876
Donor designations payable	(150,011)	(212,418)
Allocations payable	(197,468)	143,682
Accounts payable, accrued expenses, and other liabilities	36,261	234,555
Deferred rent	(15,794)	(6,025)
Net cash flows from operating activities	<u>(355,956)</u>	<u>969,734</u>
Cash flows from investing activities:		
Purchases of property and equipment	(3,302)	(3,263)
Net cash flows from investing activities	<u>(3,302)</u>	<u>(3,263)</u>
Cash flows from financing activities:		
Payments made under capital lease obligations	(2,543)	(3,324)
Net cash flows from financing activities	<u>(2,543)</u>	<u>(3,324)</u>
Net increase (decrease) in cash and cash equivalents	(361,801)	963,147
Cash and equivalents, beginning of year	4,056,043	3,092,896
Cash and equivalents, end of year	<u>\$ 3,694,242</u>	<u>\$ 4,056,043</u>
Supplemental disclosure of cash flow information:		
Interest paid	<u>\$ 169</u>	<u>\$ 300</u>

UNITED WAY OF THE GREATER TRIANGLE, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 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.

Effective January 20, 2015, the Organization changed its fiscal year end from December 31 to June 30; this change was made to better align the financial reporting period with the Organization's business cycle. The financial information presented in these financial statements have been presented in a comparative format assuming the Organization operated under a June 30 fiscal year for the periods ended June 30, 2015 and 2014. The last audited financial statements of the Organization were as of and for the years ended December 31, 2013 and 2012.

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. The Federal Deposit Insurance Corporation covers \$250,000 for substantially all depository accounts. The Organization from time to time may have amounts on deposit in excess of the insured limits. The Organization had \$3,007,015 and \$3,332,512 of cash and cash equivalents in excess of these insured amounts at June 30, 2015 and 2014, respectively.

Investments – Investments at June 30, 2015 and 2014 consist of certificates of deposit with original maturities in excess of three months, and the Triangle Community Foundation Legacy Society Fund - endowment style pooled investment 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”) are recorded at fair value based on available market prices and data. Each year approximately 5% of the Fund's balance is considered spendable and invested in cash or a similarly liquid investment. As of June 30, 2015 and 2014, the Organization held investments in the Fund of \$168,047 (with \$162,902 spendable) and \$169,786 (with \$156,349 spendable), respectively. The fair value of the Organization's proportional share of alternative investments held in the Fund at June 30, 2015 and 2014 was approximately \$1,884 and \$3,494, 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.

UNITED WAY OF THE GREATER TRIANGLE, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 1—Organization and significant accounting policies and practices (continued)

An allowance for uncollectible, undesignated promises to give is established at the completion of each annual campaign cycle. The Organization's estimate for the allowance for uncollectible promises to give is based on its historical experience of the relationship between actual bad debts for a campaign year and the related net campaign revenues for the same campaign year. The allowance for uncollectible promises to give as of June 30, 2015 and 2014 was \$517,308 and \$526,706, respectively and represent between 5.5% and 6.0% of unrestricted giving in the 2014 and 2013 campaign cycles, respectively.

Designations – Designations result from contributions directed to individual organizations and agencies by the donor. When received, these funds are distributed to the intended organizations, net of an administrative fee (if applicable).

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. It is the Organization's policy to capitalize expenses that are greater than \$2,000. No donated assets were received during the years ended June 30, 2015 and 2014.

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 June 30, 2015 and 2014.

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 available for unrestricted use unless specifically restricted by the donor. Amounts restricted by time or purpose 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. No donated securities were received during the years ended June 30, 2015 and 2014.

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 June 30, 2015 and 2014.

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.

UNITED WAY OF THE GREATER TRIANGLE, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 1—Organization and significant accounting policies and practices (continued)

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 the period ending June 30, 2015 recognized \$699,800 in federal grant revenue and \$274,585 in private industry grant revenue. In the period ending June 30, 2014 recognized \$276,067 in federal grant revenue and \$668,575 in private industry grant revenue.

Unrestricted Net Assets – Net assets that are not restricted by donors or for which donor-imposed restrictions have expired.

Temporarily Restricted Net Assets – Temporarily restricted net assets consists primarily of grant dollars from the John Rex Youth Thrive Initiative, which is purpose restricted. Substantially all temporarily restricted net assets released from restriction during the periods ending June 30, 2015 and 2014 were released due to the purpose restriction related to spending for the John Rex Youth Thrive Initiative.

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 the donor has permitted the Organization to use the funds for a specific purpose. 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 the years ended June 30, 2015 and 2014.

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 June 30, 2015 and 2014.

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:

Community Investments – Community Investments result from contributions directed to the Organization's general fund or other broad based initiatives. These funds are allocated for distribution to various agencies and programs based on need and other criteria deemed appropriate by the Board of Directors (the "Board"). Community Investments are accrued when approved by the Board of Directors or sub-committees with delegated authority.

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.

UNITED WAY OF THE GREATER TRIANGLE, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 1—Organization and significant accounting policies and practices (continued)

- 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 grant expenditures 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 Organization resources can be maximized to achieve measurable results. The Organization's Community Impact function uses assessments and other data to identify gaps in local health and human services.

Fundraising – Includes activities of the Organization's Resource Development Department, which has primary responsibility for cultivating fundraising efforts for the Organization. This department cultivates new resources and opportunities 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 fundraising activity, but are indispensable to the conduct of those activities and essential to the Organization. Specific activities include organization oversight, business management, human resources, finance, and information technology.

Concentrations – The Organization's annual fundraising campaigns are concentrated in the Triangle region of North Carolina. In addition, for the years ended June 30, 2015 and 2014, one company in the region accounted for 6.97% and 8.42% of the Organization's total unrestricted giving, respectively.

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.

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 non-exempt activities are subject to federal income taxes. No such nonexempt activities were undertaken during the periods ending June 30, 2015 and 2014.

The Organization follows the Financial Accounting Standards Board ("FASB") guidance on accounting for uncertainty in income taxes. The guidance clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements by prescribing a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The Organization's policy is to record a liability for any tax position taken that is beneficial to the Organization, including any related interest and penalties, when it is "more likely than not" (more than a 50% likelihood) the position taken by management with respect to a transaction or class of transactions will be overturned by a taxing authority upon examination. Management believes there are no such positions as of June 30, 2015 and 2014 and, accordingly, no liability has been accrued.

UNITED WAY OF THE GREATER TRIANGLE, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 1—Organization and significant accounting policies and practices (continued)

The Organization’s federal Exempt Organization Business Income Tax Returns (Form 990) for 2011, 2012, and 2013 are subject to examination by the Internal Revenue Service (“IRS”), general for three years after they were filed.

Note 2—Property and equipment

Property and equipment consists of the following at June 30:

	2015	2014
Computer, equipment, and software	\$ 193,327	\$ 193,327
Furniture and fixtures	101,569	98,268
Office equipment	77,384	77,384
Leasehold improvements	38,869	38,869
Assets under capital lease	53,755	53,755
	<u>464,904</u>	<u>461,603</u>
Accumulated depreciation	(435,654)	(406,970)
Property and equipment, net	<u>\$ 29,250</u>	<u>\$ 54,633</u>

Depreciation expense for the years ended June 30, 2015 and 2014 totaled \$28,685 and \$41,727, respectively.

Capital Leases – The Organization has financed equipment under capital lease agreements. Future minimum lease payments under the capital lease agreement as of June 30, 2015 total \$2,034 (\$1,992 in principal and \$42 in interest) due in fiscal year 2016.

The net book value of assets held under capital leases at June 30, 2015 and 2014 was \$3,455 and \$5,528, respectively. Accumulated depreciation at June 30, 2015 and 2014 includes accumulated amortization for the assets held under the capital leases of \$6,910 and \$4,837, respectively. Amortization expense for the assets held under the capital leases was \$2,073 and \$2,073 for the years ended June 30, 2015 and 2014, respectively, and is included in depreciation expense.

Note 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. Community Investment committees, sub-committees of the Board of Directors, review and recommend grants throughout the year.

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Note 3—Board-designated net assets (continued)

Special Allocations – In addition to traditional Community Investment awards, the Cabinets may decide to reserve net asset balances to address specified future critical needs. The Cabinets are responsible for making the decision as to when and the recipient of the funds.

Board Designated Net Assets – At June 30, 2015, 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	
Reponse funds	\$ 10,515	\$ 1,814	\$ 37,088	\$ 7,814	\$ -	\$ 57,231
Suther funds	90,900	-	-	-	-	90,900
	<u>\$ 101,415</u>	<u>\$ 1,814</u>	<u>\$ 37,088</u>	<u>\$ 7,814</u>	<u>\$ -</u>	<u>\$ 148,131</u>

At June 30, 2014, 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	
Reponse funds	\$ 10,515	\$ 1,814	\$ 58,367	\$ 7,814	\$ -	\$ 78,510
Suther funds	90,900	-	-	-	-	90,900
	<u>\$ 101,415</u>	<u>\$ 1,814</u>	<u>\$ 58,367</u>	<u>\$ 7,814</u>	<u>\$ -</u>	<u>\$ 169,410</u>

Note 4—Operating leases

The Organization leases two office facilities under escalating operating leases with differing end dates in fiscal years 2017 and 2018. Rent expense is recognized on the straight-line basis over the term of the lease agreement, and was approximately \$218,167 for both the years ended June 30, 2014 and 2015.

Future minimum rentals under noncancelable operating leases are as follows at June 30, 2015:

<u>Years Ending June 30,</u>	
2016	\$ 239,044
2017	212,151
2018	35,943
Total	<u>\$ 487,138</u>

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Note 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 June 30, 2015 and 2014 were \$125,535 and \$106,332, 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 June 30, 2015 and 2014 were \$69,212 and \$56,810, respectively.

Note 6—Subsequent events

The Organization has evaluated subsequent events through September 15, 2015, which represents the date the financial statements were available to be issued.