

Financial Statements

UNITED WAY OF NORTHERN UTAH

December 31, 2013 and 2012

(With Independent Auditors' Report)

UNITED WAY OF NORTHERN UTAH
Financial Statements
December 31, 2013 and 2012

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INDEPENDENT AUDITORS' REPORT

**The Executive Committee
United Way of Northern Utah
Ogden, Utah**

We have audited the accompanying financial statements of United Way of Northern Utah (a nonprofit organization), which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities 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.

INDEPENDENT AUDITORS' REPORT

Continued

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Northern Utah 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.



Ogden, Utah
August 19, 2014

UNITED WAY OF NORTHERN UTAH
Statements of Financial Position
December 31, 2013

	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	\$ 574,029	\$ 546,311
Marketable securities	2,373,287	2,166,146
Pledges receivable, net	1,411,788	1,489,443
Managing Utah CFC receivable	245,766	266,572
Promised Neighborhood receivable	18,974	-
Total current assets	<u>4,623,844</u>	<u>4,468,472</u>
Property and equipment, at cost		
Building	1,430,984	1,430,984
Land	162,539	162,539
Office furniture and equipment	225,528	225,528
Accumulated depreciation	<u>(182,734)</u>	<u>(120,533)</u>
Total property and equipment	<u>1,636,317</u>	<u>1,698,518</u>
Total assets	<u>\$ 6,260,161</u>	<u>\$ 6,166,990</u>

See accompanying notes and Independent Auditors' Report.

UNITED WAY OF NORTHERN UTAH
Statements of Financial Position, Continued
December 31, 2013

	<u>2013</u>	<u>2012</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Due to designated organizations	\$ 732,790	\$ 769,057
Due to agencies	-	94,147
Accounts payable	79,959	118,557
Compensated absences payable	16,063	22,812
Other accrued liabilities	4,140	3,755
Current portion of long-term debt	<u>25,927</u>	<u>26,570</u>
Total current liabilities	858,879	1,034,898
 Long-term debt, net of current portion	 <u>613,832</u>	 <u>639,759</u>
Total liabilities	<u>1,472,711</u>	<u>1,674,657</u>
 Net assets		
Unrestricted	3,971,150	3,856,640
Temporarily restricted	<u>816,300</u>	<u>635,693</u>
Total net assets	<u>4,787,450</u>	<u>4,492,333</u>
Total liabilities and net assets	<u>\$ 6,260,161</u>	<u>\$ 6,166,990</u>

See accompanying notes and Independent Auditors' Report.

UNITED WAY OF NORTHERN UTAH
Statements of Activities and Changes in Net Assets
For the Year Ended December 31, 2013
With Summarized Totals for 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals 2013</u>	<u>Summarized Totals 2012</u>
Public support and revenue				
Gross campaign results	\$ 754,029	\$ 2,369,356	\$ 3,123,385	\$ 3,901,983
Donor designations	<u>-</u>	<u>(1,773,164)</u>	<u>(1,773,164)</u>	<u>(2,379,961)</u>
Net campaign revenue	754,029	596,192	1,350,221	1,522,022
Grants	336,274	320,109	656,383	60,500
CFC service fee	245,766	-	245,766	266,572
Donated services and materials	18,766	-	18,766	167,273
Investment income	256,398	-	256,398	286,244
Rent revenue	161,220	-	161,220	141,760
Special events	10,031	-	10,031	15,146
Net assets released from restrictions	<u>735,694</u>	<u>(735,694)</u>	<u>-</u>	<u>-</u>
Total public support and revenue	<u>2,518,178</u>	<u>180,607</u>	<u>2,698,785</u>	<u>2,459,517</u>
Expenses				
Program services				
Allocations to agencies	2,951,644	-	2,951,644	3,567,074
Allocations funded through designations	<u>(1,773,164)</u>	<u>-</u>	<u>(1,773,164)</u>	<u>(2,379,961)</u>
Net allocations	1,178,480	-	1,178,480	1,187,113
Other program services	<u>902,574</u>	<u>-</u>	<u>902,574</u>	<u>821,853</u>
Total program services	<u>2,081,054</u>	<u>-</u>	<u>2,081,054</u>	<u>2,008,966</u>
United Way of America dues	14,940	-	14,940	14,850
Other supporting services	<u>285,443</u>	<u>-</u>	<u>285,443</u>	<u>221,357</u>
Total supporting services	<u>300,383</u>	<u>-</u>	<u>300,383</u>	<u>236,207</u>
Total functional expenses	2,381,437	-	2,381,437	2,245,173
Donated rent	<u>22,231</u>	<u>-</u>	<u>22,231</u>	<u>29,057</u>
Total expenses	<u>2,403,668</u>	<u>-</u>	<u>2,403,668</u>	<u>2,274,230</u>
Change in net assets	114,510	180,607	295,117	185,287
Net assets at beginning of year	<u>3,856,640</u>	<u>635,693</u>	<u>4,492,333</u>	<u>4,307,046</u>
Net assets at end of year	<u>\$ 3,971,150</u>	<u>\$ 816,300</u>	<u>\$ 4,787,450</u>	<u>\$ 4,492,333</u>

See accompanying notes and Independent Auditors' Report.

UNITED WAY OF NORTHERN UTAH
Statement of Functional Expenses
For the Year Ended December 31, 2013

	Program Services			Support Services				
	Allocation Services	All Other Programs	Total	Fundraising	Organizational Administration	UWA Dues	Total	Totals 2013
Allocations to agencies	\$ 2,951,644	\$ -	\$ 2,951,644	\$ -	\$ -	\$ -	\$ -	\$ 2,951,644
Donor designations	(1,773,164)	-	(1,773,164)	-	-	-	-	(1,773,164)
Subtotal	1,178,480	-	1,178,480	-	-	-	-	1,178,480
Salaries	-	212,031	212,031	17,788	125,938	-	143,726	355,757
Health and retirement benefits	-	65,228	65,228	5,472	38,742	-	44,214	109,442
Payroll taxes	-	18,446	18,446	1,548	10,957	-	12,505	30,951
Subtotal	-	295,705	295,705	24,808	175,637	-	200,445	496,150
Managing CFC expense	-	245,766	245,766	-	-	-	-	245,766
Office supplies	-	10,968	10,968	783	3,917	-	4,700	15,668
Telephone	-	11,146	11,146	796	3,981	-	4,777	15,923
Postage	-	3,513	3,513	225	761	-	986	4,499
Occupancy	-	27,663	27,663	1,994	10,220	-	12,214	39,877
Advertising and promotion	-	42,163	42,163	2,718	9,474	-	12,192	54,355
Professional fees	-	49,966	49,966	3,331	13,324	-	16,655	66,621
Conferences and training	-	10,507	10,507	-	-	-	-	10,507
Service club dues	-	4,947	4,947	-	-	-	-	4,947
Equipment repairs and maintenance	-	16,105	16,105	-	5,752	-	6,902	23,007
Depreciation	-	43,541	43,541	3,110	15,550	-	18,660	62,201
Travel and meals	-	16,430	16,430	-	-	-	-	16,430
Building	-	100,131	100,131	5,270	-	-	5,270	105,401
Interest	-	20,359	20,359	1,072	-	-	1,072	21,431
Bank fees	-	3,664	3,664	-	1,570	-	1,570	5,234
Subtotal	-	606,869	606,869	20,449	64,549	-	84,998	691,867
United Way of America dues	-	-	-	-	-	14,940	14,940	14,940
Total functional expenses	\$ 1,178,480	\$ 902,574	\$ 2,081,054	\$ 45,257	\$ 240,186	\$ 14,940	\$ 300,383	\$ 2,381,437

See accompanying notes and Independent Auditors' Report.

UNITED WAY OF NORTHERN UTAH
Statement of Functional Expenses
For the Year Ended December 31, 2012

	Program Services			Support Services				Totals 2012
	Allocation Services	All Other Programs	Total	Fundraising	Organizational Administration	UWA Dues	Total	
Allocations to agencies	\$ 3,567,074	\$ -	\$ 3,567,074	\$ -	\$ -	\$ -	\$ -	\$ 3,567,074
Donor designations	(2,379,961)	-	(2,379,961)	-	-	-	-	(2,379,961)
Subtotal	<u>1,187,113</u>	<u>-</u>	<u>1,187,113</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,187,113</u>
Salaries	-	142,962	142,962	11,993	84,914	-	96,907	239,869
Health and retirement benefits	-	61,177	61,177	5,132	36,337	-	41,469	102,646
Payroll taxes	-	14,599	14,599	1,225	8,671	-	9,896	24,495
Subtotal	<u>-</u>	<u>218,738</u>	<u>218,738</u>	<u>18,350</u>	<u>129,922</u>	<u>-</u>	<u>148,272</u>	<u>367,010</u>
Managing CFC expense	-	266,572	266,572	-	-	-	-	266,572
Office supplies	-	13,068	13,068	933	4,667	-	5,600	18,668
Telephone	-	8,829	8,829	631	3,153	-	3,784	12,613
Postage	-	2,689	2,689	172	583	-	755	3,444
Occupancy	-	25,102	25,102	1,809	9,274	-	11,083	36,185
Campaign expenses	-	31,802	31,802	2,050	7,146	-	9,196	40,998
Professional fees	-	35,540	35,540	2,369	9,477	-	11,846	47,386
Conferences and training	-	34,828	34,828	-	-	-	-	34,828
Service club dues	-	8,331	8,331	-	-	-	-	8,331
Equipment repairs and maintenance	-	10,016	10,016	715	3,577	-	4,292	14,308
Depreciation	-	43,560	43,560	3,111	15,558	-	18,669	62,229
Travel and meals	-	6,374	6,374	-	-	-	-	6,374
Luncheon expense	-	-	-	-	-	-	-	-
Building	-	92,024	92,024	4,843	-	-	4,843	96,867
Interest	-	19,766	19,766	1,040	-	-	1,040	20,806
Bank fees	-	4,614	4,614	-	1,977	-	1,977	6,591
Subtotal	<u>-</u>	<u>603,115</u>	<u>603,115</u>	<u>17,673</u>	<u>55,412</u>	<u>-</u>	<u>73,085</u>	<u>676,200</u>
United Way of America dues	-	-	-	-	-	14,850	14,850	14,850
Total functional expenses	<u>\$ 1,187,113</u>	<u>\$ 821,853</u>	<u>\$ 2,008,966</u>	<u>\$ 36,023</u>	<u>\$ 185,334</u>	<u>\$ 14,850</u>	<u>\$ 236,207</u>	<u>\$ 2,245,173</u>

See accompanying notes and Independent Auditors' Report.

UNITED WAY OF NORTHERN UTAH
Statements of Cash Flows
For the Years Ended December 31, 2013

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Change in net assets	\$ 295,117	\$ 185,287
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	62,201	62,229
Amortization	21,430	-
Investment income in marketable securities	(52,522)	(49,710)
Gain on investments in marketable securities	(202,874)	(236,534)
Changes in operating assets and liabilities:		
Pledges receivable	77,655	66,965
Managing Utah CFC receivable	20,806	(7,338)
Promised neighborhoods receivables	(18,974)	-
Other receivables	-	54,670
Due to designated organizations and agencies	(130,414)	89,764
Deposit	-	25,000
Accounts payable	(38,598)	44,422
Compensated absences payable	(6,749)	(79,005)
Other accrued liabilities	385	568
	<u>27,463</u>	<u>156,318</u>
Cash and cash equivalents provided by operating activities		
	<u>27,463</u>	<u>156,318</u>
Cash flows from investing activities:		
Purchases of investments	(2,622,474)	(1,059,125)
Proceeds from sale of investments	2,670,729	1,106,348
Liquidation of marketable securities	-	900,000
Purchase of property, plant and equipment	-	(1,745,773)
	<u>-</u>	<u>(748,550)</u>
Net cash and cash equivalents provided by (used in) investing activities		
	<u>48,255</u>	<u>(798,550)</u>

See accompanying notes and Independent Auditors' Report.

UNITED WAY OF NORTHERN UTAH
Statements of Cash Flows, Continued
For the Year Ended December 31, 2013

	<u>2013</u>	<u>2012</u>
Cash flows from financing activities:		
Principal payments on long-term debt	\$ (48,000)	\$ (48,000)
Proceeds from issuance of long-term debt	<u>-</u>	<u>714,329</u>
Net cash and cash equivalents provided by (used in) financing activities	<u>(48,000)</u>	<u>666,329</u>
Net increase in cash and cash equivalents	27,718	24,097
Cash and cash equivalents at beginning of year	<u>546,311</u>	<u>522,214</u>
Cash and cash equivalents at end of year	<u>\$ 574,029</u>	<u>\$ 546,311</u>

See accompanying notes and Independent Auditors' Report.

UNITED WAY OF NORTHERN UTAH
Notes to Financial Statements
December 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of United Way of Northern Utah (Organization) is presented to assist in understanding these financial statements. The financial statements and notes are representations of the Organization's management, which is responsible for their integrity and objectivity.

Organization and Operation

The Organization is a nonprofit entity incorporated in the state of Utah and governed by a volunteer Board of Directors that is comprised of business and community leaders. The Organization utilizes salaried employees and volunteers who work to support a broad range of charitable agencies and human service organizations in the northern Utah area. The stated mission of the Organization is "to improve lives and build stronger communities in Northern Utah by uniting individuals and organizations with the will, passion, expertise, and resources needed to solve problems." The Organization conducts fundraising activities, provides a systematic review process of charitable agencies requesting funding from the Organization, plans for future community needs and allocates money raised to eligible agencies.

Annual campaigns are conducted year round each year to support allocations made in the subsequent year. Campaign contributions are used to support local health and human service programs of member and nonmember agencies and to pay the Organization's operating expenses. Donors may designate their pledges to specific agencies or donate undesignated funds.

Annual campaign results are reduced by pledges that are designated to specific organizations and by a provision for uncollectible pledges. The net campaign results are reflected as temporarily restricted in the accompanying statement of activities and the amounts are to be expended in the following year. Prior year campaign results are reflected in the net assets released from restrictions in the current year statement of activities.

Basis of Presentation

The financial statements are presented in accordance with Topic 958 of the FASB Accounting Standards Codification (FASB ASC 958), *Not-For-Profit Entities*. Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

UNITED WAY OF NORTHERN UTAH
Notes to Financial Statements, Continued
December 31, 2013

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

Basis of Presentation, continued

Also in accordance with FASB ASC 958, support that is restricted by a donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction.

All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction (Note 11). When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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.

Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments with a maturity of three months or less when purchased to be cash equivalents. Investments are stated at market value and realized and unrealized gains and losses are reported in the statement of activities. Fair value of investments is determined by using quoted prices for the investments at December 31, 2013 and 2012.

Fair Value of Financial Instruments

The reported amounts of certain financial instruments of the Organization, including cash and cash equivalents, accounts receivable, prepaid expenses, due to designated organizations, due to agencies, accounts payable and accrued liabilities, approximate fair value due to their short maturities. See Note 12 for further discussion of fair value.

UNITED WAY OF NORTHERN UTAH
Notes to Financial Statements, Continued
December 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Campaign Promises to Give

Campaign promises to give, including unconditional promises to give (pledges), are recognized as support in the period received, at their fair values.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or are restricted by the donor for specific purposes are reported as temporarily or permanently restricted.

When a donor restriction expires (i.e. when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restriction.

The permanently restricted fund includes the principal amount of contributions accepted with the stipulation from the donor that the principal be maintained in perpetuity and only the income from investments thereof be expended for purposes specified by the donor, if any. As of December 31, 2013 and 2012, there were no permanently restricted net assets.

Grants Received

The Organization received grant monies from various agencies in 2013 and 2012. The grant proceeds were classified as temporarily restricted until the funds have been spent for that purpose and are included in the cash and cash equivalents on the statement of financial position. As of December 31, 2013 and 2012, \$220,109 and \$8,060, respectively, of the grants remain in temporarily restricted net assets. The other grants received in 2013 and 2012 were given unconditionally and are classified as unrestricted.

Pledges Receivable

Campaign pledge contributions are generally fully collected by the end of each campaign cycle of approximately 18 months. The Organization provides an allowance for the uncollectable pledges at the time campaign results are recorded.

UNITED WAY OF NORTHERN UTAH
Notes to Financial Statements, Continued
December 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Contributed Materials and Services

Donated services are recognized as contributions in accordance with FASB ASC 958 if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills and would otherwise be purchased by the Organization.

Donated auditing services for the years ended December 31, 2013 and 2012, are approximately \$18,800 and \$15,000, respectively.

The Organization records the value of donated materials and services when there is an objective basis available to measure the value of the material and services. For the year ended December 31, 2013, donated materials and services included donated rent to lessees of \$22,231. For the year ended December 31, 2012, donated materials and services included furniture from the Swanson Foundation of \$152,250 and donated rent to lessees of \$29,057.

Many individuals volunteer their time and perform a variety of tasks that assist the Organization in its program services and fundraising campaign. These services are not recorded as contributions because they do not meet the requirements under FASB ASC 958-605.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Office Furniture, Equipment and Buildings

Office furniture, equipment and buildings purchased for more than \$5,000 are capitalized and recorded at cost, or in the case of donated items, at fair value. These assets are depreciated over their estimated useful lives, from 5 to 39 years, using the straight-line method of depreciation. Depreciation expense of \$62,201 and \$62,229 was recorded in the years ended December 31, 2013 and 2012, respectively.

UNITED WAY OF NORTHERN UTAH
Notes to Financial Statements, Continued
December 31, 2013

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

Office Furniture, Equipment and Buildings, continued

Donated property and equipment are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. During the years ended December 31, 2013 and 2012, furniture with a fair value of \$0 and \$152,250, respectively, was contributed by the Swanson Foundation to the Organization.

Income Tax

United Way is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is included in the accompanying statements.

The Organization has adopted FASB ASC 740, *Accounting for Uncertainty in Income Taxes*. Management has determined FASB ASC 740 does not have a material impact on the financial statements.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2010.

Reclassifications

Certain reclassifications were made to the 2012 financial statements in order to conform to the 2013 presentation. The reclassifications have no effect on net income as previously reported.

2. **MARKETABLE SECURITIES**

At December 31, 2013, marketable securities consisted of fixed income bonds, real assets and equities totaling approximately \$2,373,300. At December 31, 2012, marketable securities consisted of fixed income bonds and equities totaling approximately \$2,166,000.

UNITED WAY OF NORTHERN UTAH
Notes to Financial Statements, Continued
December 31, 2013

2. MARKETABLE SECURITIES, continued

The fair value of marketable securities is the net asset values as reported by the broker. These securities are subject to fluctuations in value due to changes in interest rates and other factors affecting the financial markets.

Marketable securities gains and losses consisted of the following for the fiscal years ended December 31:

	<u>2013</u>	<u>2012</u>
Interest and dividends	\$ 74,095	\$ 65,418
Realized gains	256,885	222,281
Unrealized gains (losses)	(54,011)	14,253
Bank fees	<u>(20,571)</u>	<u>(15,708)</u>
Total investments	<u>\$ 256,398</u>	<u>\$ 286,244</u>

3. CONCENTRATION OF CREDIT RISK

The Organization maintains its cash with three financial institutions. At various times during the fiscal year, the Organization's cash in bank balances may exceed federally insured limits. As of December 31, 2013 and 2012, the Organization's uninsured cash balances totaled approximately \$200,700 and \$100,500, respectively.

The Organization also maintains investment accounts with two financial institutions. At various times during the fiscal year, the Organization's cash in investment accounts may exceed amounts insured by the Securities Investor Protection Corporation. As of December 31 2013 and 2012, the Organization's uninsured investment balance totaled approximately \$0 for each year.

Contributions from following donors accounted for more than 10 percent of annual campaign revenues for the years ending December 31:

	<u>2013</u>	<u>2012</u>
ATK Launch Systems	\$ 188,042	\$ 185,171
Kimberly Clark	<u>251,620</u>	<u>353,822</u>
Total	<u>\$ 439,662</u>	<u>\$ 538,993</u>

UNITED WAY OF NORTHERN UTAH
Notes to Financial Statements, Continued
December 31, 2013

4. PLEDGES RECEIVABLE

Pledges receivable are generally to be received within one year and consisted of the following at December 31:

	<u>2013</u>	<u>2012</u>
2013-2014 Campaign pledges receivable	\$ 1,200,680	\$ -
2012-2013 Campaign pledges receivable	240,110	1,410,761
2011-2012 Campaign pledges receivable	-	115,349
Estimated uncollectable	<u>(29,002)</u>	<u>(36,667)</u>
Net pledges receivable	<u>\$ 1,411,788</u>	<u>\$ 1,489,443</u>

5. LONG-TERM DEBT

Long-term debt consisted of the following at December 31:

	<u>2013</u>	<u>2012</u>
Noninterest-bearing note payable to third party, secured by the building and land, discounted at imputed interest rate of 3% and due in monthly installments of \$4,000.	\$ 639,759	\$ 666,329
Less current portion	<u>25,927</u>	<u>26,570</u>
Long-term portion	<u>\$ 613,832</u>	<u>\$ 639,759</u>

UNITED WAY OF NORTHERN UTAH
Notes to Financial Statements, Continued
December 31, 2013

5. LONG-TERM DEBT, continued

The carrying value of the noninterest-bearing obligations is shown net of total unamortized discount of \$224,241 in 2013 and \$245,671 in 2012. Amortization of the discounts is reported in the income statement as interest expense.

Net loan maturities for each of the five years following December 31, 2013, were as follows:

2014	\$ 25,927
2015	25,265
2016	24,583
2017	23,881
2018	23,157
Thereafter	<u>516,946</u>
	<u>\$ 639,759</u>

6. INTERMOUNTAIN COMBINED FEDERAL CAMPAIGN

The Organization served as the Principal Combined Fund Organization (PCFO) for the Intermountain Combined Federal Campaign (CFC) in 2013 and 2012. The responsibility of the Organization to serve as PCFO is to manage the campaign and to serve as a fiscal agent. The Organization has also been appointed as PCFO for the 2013-2014 campaigns.

As the fiscal agent for the CFC, the Organization has included approximately \$2,019,000 and \$2,829,000 of pledges in current year campaign results for the years ended December 31, 2013 and 2012, respectively. The Organization has also included approximately \$1,773,000 and \$2,380,000 in allocations to agencies for the years ended December 31, 2013 and 2012, respectively. Both current year campaign results and allocations to agencies are also deducted as donor designations in the financial statement presentation.

Prior to the campaign, the Organization estimates the cost of running the campaign and submits this estimate to the local Federal Coordinating Committee. At the completion of the campaign drive, the Organization received a check for the actual expenses incurred.

UNITED WAY OF NORTHERN UTAH
Notes to Financial Statements, Continued
December 31, 2013

6. INTERMOUNTAIN COMBINED FEDERAL CAMPAIGN, continued

The reimbursements received in the years ended December 31, 2013 and 2012, were \$266,572 and \$259,234, respectively. At December 31, 2013 and 2012, the CFC owed the Organization \$245,766 and \$266,572 for reimbursement of the 2013-2014 and 2012-2013 campaigns expenses, respectively.

CFC makes contributions to various entities based on the designation of its donors. In the years ended December 31, 2013 and 2012, CFC contributed approximately \$149,414 and \$199,332, respectively, to the Organization based on the designation of donors. The Organization also acts as a federation for the CFC and honors designations made by CFC campaign donors by distributing a proportionate share of receipts to each member federation based on CFC donor designations. As a federation, the Organization is permitted to deduct expenses from receipts prior to remitting funds to the charitable organization participating as members. In the years ended December 31, 2013 and 2012, the Organization deducted \$17,470 and \$17,271, respectively, from member organizations to cover expenses.

7. OPERATING OFFICE LEASES

The Organization leases office space to tenants under noncancelable operating leases with terms of one to five years. The following is a schedule by years of future minimum rentals under the leases at December 31, 2013:

2014	\$ 108,965
2015	110,861
2016	81,179
2017	75,197
2018	<u>34,202</u>
	<u>\$ 410,404</u>

8. RETIREMENT PLAN

The Organization has a 403(b) retirement plan whereby employees who work more than 20 hours a week can contribute up to 100 percent of their salary within statutory limits. The employer has the option to make discretionary contributions. During the years ended December 31, 2013 and 2012, the Organization recognized retirement expenses of approximately \$48,900 and \$37,100, respectively.

UNITED WAY OF NORTHERN UTAH
Notes to Financial Statements, Continued
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9. CAMPAIGN REVENUE

The annual campaign of the Organization begins in the fall of each year and continues into the following calendar year. Each campaign is titled for the two years that comprise it.

During the years ended December 31, the Organization recognized contributions for campaign years as follows:

	<u>2013</u>	<u>2012</u>
2012-2013 Campaign	\$ -	\$ 3,901,983
2013-2014 Campaign	<u>3,123,385</u>	<u>-</u>
Total campaign revenue	<u>\$ 3,123,385</u>	<u>\$ 3,901,983</u>

Included in the 2013 and 2012 campaign revenue above is approximately \$1,773,000 and \$2,380,000, respectively, from CFC.

10. BOARD-DESIGNATED CASH AND INVESTMENTS

In 1999, the Executive Committee of the United Way of Northern Utah approved a resolution effective December 1999 to reserve all funds in the Trust Departments of Key Bank and Wells Fargo Bank.

In 2013, the Executive Committee approved a transfer of assets to Zions Bank to consolidate their assets into one account. On December 31, 2013 and 2012, the Board-designated cash and investments held at the Trust Departments totaled \$2,505,558 and \$2,250,162, respectively.

11. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets as of December 31, 2013, consisted of designated contributions and grant contributions received in 2013 to be expended thereafter. Temporarily restricted net assets as of December 31, 2012, consisted of designated contributions received in 2012 to be expended thereafter.

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Notes to Financial Statements, Continued
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12. FAIR VALUE MEASUREMENTS

The fair value of assets and liabilities were as follows at December 31, 2013:

	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring Fair Value Measurements</u>				
Money market funds	\$ 132,271	\$ -	\$ -	\$ 132,271
Fixed income bonds	1,030,163	-	-	1,030,163
Real assets	182,561	-	-	182,561
Equities	<u>1,160,563</u>	<u>-</u>	<u>-</u>	<u>1,160,563</u>
	<u>\$2,505,558</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,505,558</u>

The fair value of assets and liabilities were as follows at December 31, 2012:

	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring Fair Value Measurements</u>				
Money market funds	\$ 84,015	\$ -	\$ -	\$ 84,015
Fixed income bonds	696,665	-	-	696,665
Equities	<u>1,469,481</u>	<u>-</u>	<u>-</u>	<u>1,469,481</u>
	<u>\$2,250,161</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,250,161</u>

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13. CONTINGENT LIABILITIES

During the year ended December 31, 2012, the Organization amended its policy on sick pay to prohibit the payment of accrued sick pay to an employee upon termination from the Organization. As of December 31, 2013 and 2012 there were no accrued sick pay balances recorded.

14. SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 19, 2014, the date on which the financial statements were available to be issued, and has determined that no events requiring additional disclosure have occurred.