

*Financial Statements*

**UNITED WAY OF NORTHERN UTAH**

**December 31, 2012 and 2011**

**(With Independent Auditors' Report)**

**UNITED WAY OF NORTHERN UTAH**  
**Financial Statements**  
**December 31, 2012 and 2011**

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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, 2012 and 2011, 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.

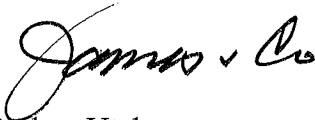
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## 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, 2012 and 2011, 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 13, 2013

**UNITED WAY OF NORTHERN UTAH**  
**Statements of Financial Position**  
**December 31, 2012 and 2011**

<u>ASSETS</u>	<u>2012</u>	<u>2011</u>
<b>Current assets</b>		
Cash and cash equivalents	\$ 546,311	\$ 522,214
Marketable securities	2,166,146	2,827,125
Pledges receivable, net	1,489,443	1,556,408
Managing Utah CFC receivable	266,572	259,234
Other receivables	-	54,670
Deposit	-	25,000
<b>Total current assets</b>	<u>4,468,472</u>	<u>5,244,651</u>
<b>Property and equipment, at cost</b>		
Building	1,430,984	-
Land	162,539	-
Office furniture and equipment	225,528	73,278
Accumulated depreciation	(120,533)	(58,304)
<b>Total property and equipment</b>	<u>1,698,518</u>	<u>14,974</u>
<b>Total assets</b>	<u>\$ 6,166,990</u>	<u>\$ 5,259,625</u>

See accompanying notes and Independent Auditors' Report.

**UNITED WAY OF NORTHERN UTAH**  
**Statements of Financial Position, Continued**  
**December 31, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>Current liabilities</b>		
Due to designated organizations	\$ 769,057	\$ 681,392
Due to agencies	94,147	92,048
Accounts payable	118,557	74,135
Compensated absences payable	22,812	101,817
Other accrued liabilities	3,755	3,187
Current portion of long-term debt	<u>26,570</u>	<u>-</u>
<b>Total current liabilities</b>	<b>1,034,898</b>	<b>952,579</b>
Long-term debt, net of current portion	<u>639,759</u>	<u>-</u>
<b>Total liabilities</b>	<b><u>1,674,657</u></b>	<b><u>952,579</u></b>
<b>Net assets</b>		
Unrestricted	3,856,640	3,678,017
Temporarily restricted	<u>635,693</u>	<u>629,029</u>
<b>Total net assets</b>	<b><u>4,492,333</u></b>	<b><u>4,307,046</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 6,166,990</u></b>	<b><u>\$ 5,259,625</u></b>

See accompanying notes and Independent Auditors' Report.

**UNITED WAY OF NORTHERN UTAH**  
**Statement of Activities and Changes in Net Assets**  
**For the Year Ended December 31, 2012, With Summarized Totals for 2011**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals 2012</u>	<u>Summarized Totals 2011</u>
<b>Public support and revenue</b>				
Gross campaign results	\$ 880,147	\$ 3,021,836	\$ 3,901,983	\$ 4,259,614
Donor designations	<u>-</u>	<u>(2,379,961)</u>	<u>(2,379,961)</u>	<u>(3,338,615)</u>
<b>Net campaign revenue</b>	880,147	641,875	1,522,022	920,999
Grants	50,000	10,500	60,500	123,500
CFC service fee	266,572	-	266,572	259,234
Donated services and materials	152,250	-	152,250	-
Investment income	286,244	-	286,244	(58,321)
Rent revenue	141,760	-	141,760	-
Special events	15,146	-	15,146	13,829
Net assets released from restrictions	<u>645,711</u>	<u>(645,711)</u>	<u>-</u>	<u>-</u>
<b>Total public support and     revenue</b>	<u>2,437,830</u>	<u>6,664</u>	<u>2,444,494</u>	<u>1,259,241</u>
<b>Expenses</b>				
Program services				
Allocations to agencies	3,567,074	-	3,567,074	5,088,417
Allocations funded through designations	<u>(2,379,961)</u>	<u>-</u>	<u>(2,379,961)</u>	<u>(3,338,615)</u>
<b>Net allocations</b>	1,187,113	-	1,187,113	1,749,802
Other program services	<u>810,585</u>	<u>-</u>	<u>810,585</u>	<u>709,888</u>
<b>Total program services</b>	<u>1,997,698</u>	<u>-</u>	<u>1,997,698</u>	<u>2,459,690</u>
United Way of America dues	14,850	-	14,850	20,328
Other supporting services	<u>217,602</u>	<u>-</u>	<u>217,602</u>	<u>228,749</u>
<b>Total supporting services</b>	<u>232,452</u>	<u>-</u>	<u>232,452</u>	<u>249,077</u>
<b>Total functional expenses</b>	2,230,150	-	2,230,150	2,708,767
Donated rent	<u>29,057</u>	<u>-</u>	<u>29,057</u>	<u>-</u>
<b>Total expenses</b>	<u>2,259,207</u>	<u>-</u>	<u>2,259,207</u>	<u>2,708,767</u>
<b>Change in net assets</b>	178,623	6,664	185,287	(1,449,526)
<b>Net assets at beginning     of year</b>	<u>3,678,017</u>	<u>629,029</u>	<u>4,307,046</u>	<u>5,756,572</u>
<b>Net assets at end of year</b>	<u>\$ 3,856,640</u>	<u>\$ 635,693</u>	<u>\$ 4,492,333</u>	<u>\$ 4,307,046</u>

See accompanying notes and Independent Auditors' Report.

**UNITED WAY OF NORTHERN UTAH**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2012, with Summarized Totals for 2011**

	Program Services			Support Services			Summarized Totals 2011
	Allocation Services	All Other Programs	Total	Fundraising	Organizational Administration	UWA Dues	
Allocations to agencies	\$ 3,567,074	\$ -	\$ 3,567,074	\$ -	\$ -	\$ -	\$ 3,567,074
Donor designations	(2,379,961)	-	(2,379,961)	-	-	-	(2,379,961)
<b>Subtotal</b>	<u>1,187,113</u>	<u>-</u>	<u>1,187,113</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,187,113</u>
Salaries	-	142,962	142,962	84,914	11,993	-	239,869
Health and retirement benefits	-	61,177	61,177	36,337	5,132	-	102,646
Payroll taxes	-	14,599	14,599	8,671	1,225	-	24,495
<b>Subtotal</b>	<u>-</u>	<u>218,738</u>	<u>218,738</u>	<u>129,922</u>	<u>18,350</u>	<u>-</u>	<u>367,010</u>
Managing CFC expense	-	266,572	266,572	-	-	-	266,572
Office supplies	-	13,068	13,068	4,667	933	-	18,668
Telephone	-	8,829	8,829	3,153	631	-	12,613
Postage	-	2,689	2,689	583	172	-	3,444
Occupancy	-	25,102	25,102	9,274	1,809	-	36,185
Campaign expenses	-	31,802	31,802	7,146	2,050	-	40,998
Professional fees	-	24,272	24,272	6,473	1,618	-	32,363
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	3,577	715	-	14,308
Depreciation	-	43,560	43,560	15,557	3,112	-	62,229
Travel and meals	-	6,374	6,374	-	-	-	6,374
Luncheon expense	-	-	-	-	-	-	-
Building	-	92,024	92,024	-	4,843	-	96,867
Interest	-	19,766	19,766	-	1,040	-	20,806
Bank fees	-	4,614	4,614	1,977	-	-	6,591
<b>Subtotal</b>	<u>-</u>	<u>591,847</u>	<u>591,847</u>	<u>52,407</u>	<u>16,923</u>	<u>-</u>	<u>661,177</u>
United Way of America dues	-	-	-	-	-	14,850	14,850
<b>Total functional expenses</b>	<u>\$ 1,187,113</u>	<u>\$ 810,585</u>	<u>\$ 1,997,698</u>	<u>\$ 182,329</u>	<u>\$ 35,273</u>	<u>\$ 14,850</u>	<u>\$ 2,230,150</u>
							<u>\$ 2,708,767</u>

See accompanying notes and Independent Auditors' Report.



**UNITED WAY OF NORTHERN UTAH**  
**Statements of Cash Flows**  
**December 31, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 185,287	\$ (1,449,526)
<b>Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:</b>		
Depreciation	62,229	3,880
Investment income in marketable securities	(49,710)	(109,390)
(Gain) loss on investments in marketable securities	(236,534)	167,711
Changes in operating assets and liabilities:		
Pledges receivable	66,965	(69,764)
Managing Utah CFC receivable	(7,338)	(57,431)
Other receivables	54,670	(54,670)
Due to designated organizations and agencies	89,764	(74,967)
Deposit	25,000	(25,000)
Accounts payable	44,422	35,431
Compensated absences payable	(79,005)	(14,033)
Other accrued liabilities	<u>568</u>	<u>(3,820)</u>
<b>Cash and cash equivalents provided by (used in) operating activities</b>	<u>156,318</u>	<u>(1,651,579)</u>
<b>Cash flows from investing activities:</b>		
Purchases of investments	(1,059,125)	(1,259,725)
Proceeds from sale of investments	1,106,348	1,263,194
Liquidation of marketable securities	900,000	241,951
Purchase of property, plant and equipment	<u>(1,745,773)</u>	<u>-</u>
<b>Net cash and cash equivalents provided by (used in) investing activities</b>	<u>(798,550)</u>	<u>245,420</u>

See accompanying notes and Independent Auditors' Report.

**UNITED WAY OF NORTHERN UTAH**  
**Statements of Cash Flows, Continued**  
**December 31, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<b>Cash flows from financing activities:</b>		
Principal payments on long-term debt	\$ (48,000)	\$ -
Proceeds from issuance of long-term debt	<u>714,329</u>	<u>-</u>
<b>Net cash and cash equivalents provided by financing activities</b>	<u>666,329</u>	<u>-</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	24,097	(1,406,159)
<b>Cash and cash equivalents at beginning of year</b>	<u>522,214</u>	<u>1,928,373</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 546,311</u>	<u>\$ 522,214</u>

See accompanying notes and Independent Auditors' Report.

**UNITED WAY OF NORTHERN UTAH**  
**Notes to Financial Statements**  
**December 31, 2012 and 2011**

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 in Northern Utah by mobilizing the caring power of our community." 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 in the fall of 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 fall 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, 2012 and 2011**

**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 10). 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, 2012 and 2011.

**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, 2012 and 2011**

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, 2012 and 2011, there were no permanently restricted net assets.

**Grants Received**

The Organization received grant monies from various agencies in 2012 and 2011. 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, 2012 and 2011, \$8,060 and \$0, respectively, of the grant remains in temporarily restricted net assets. The other grants received in 2012 and 2011 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, 2012 and 2011**

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 applicable to the 2012 audit are approximately \$9,000. Donated auditing services applicable to the 2011 audit were approximately \$15,000.

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, 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 \$62,229 and \$3,880 was recorded in the years ended December 31, 2012 and 2011, respectively.

**UNITED WAY OF NORTHERN UTAH**  
**Notes to Financial Statements, Continued**  
**December 31, 2012 and 2011**

**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 year ended December 31, 2012, furniture with a fair value of \$152,250 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 ACS 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 2011 financial statements in order to conform to the 2012 presentation. The reclassifications have no effect on net income as previously reported.

**2. MARKETABLE SECURITIES**

At December 31, 2012, marketable securities consisted of fixed income bonds and equities totaling approximately \$2,166,000. At December 31, 2011, marketable securities consisted of fixed income bonds and equities totaling approximately \$2,827,000.

**UNITED WAY OF NORTHERN UTAH**  
**Notes to Financial Statements, Continued**  
**December 31, 2012 and 2011**

**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>2012</u>	<u>2011</u>
Interest and dividends	\$ 65,418	\$ 130,347
Realized gains	222,281	139,802
Unrealized gains (losses)	14,253	(307,513)
Bank fees	<u>(15,708)</u>	<u>(20,957)</u>
<b>Total investments</b>	<u>\$ 286,244</u>	<u>\$ (58,321)</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, 2012 and 2011, the Organization's uninsured cash balances totaled approximately \$100,500 and \$142,700, 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 2012 and 2011, the Organization's uninsured investment balance totaled approximately \$0 for each year.

For the year ended December 31, 2012, contributions from following donors accounted for more than 10 percent of annual campaign revenues:

ATK Launch Systems	\$ 185,171
Kimberly Clark	<u>353,822</u>
Total	<u>\$ 538,993</u>



**UNITED WAY OF NORTHERN UTAH**  
**Notes to Financial Statements, Continued**  
**December 31, 2012 and 2011**

**4. PLEDGES RECEIVABLE**

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

	<u>2012</u>	<u>2011</u>
2012-2013 Campaign pledges receivable	\$ 1,410,761	\$ -
2011-2012 Campaign pledges receivable	115,349	1,436,866
2010-2011 Campaign pledges receivable	-	173,036
Estimated uncollectable	<u>(36,667)</u>	<u>(53,494)</u>
<b>Net pledges receivable</b>	<u>\$ 1,489,443</u>	<u>\$ 1,556,408</u>

**5. LONG-TERM DEBT**

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

	<u>2012</u>	<u>2011</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.	\$ 666,329	\$ -
Less current portion	<u>26,570</u>	<u>-</u>
<b>Long-term portion</b>	<u>\$ 639,759</u>	<u>\$ -</u>

**UNITED WAY OF NORTHERN UTAH**  
**Notes to Financial Statements, Continued**  
**December 31, 2012 and 2011**

**5. LONG-TERM DEBT, continued**

The carrying value of the noninterest-bearing obligations is shown net of total unamortized discount of \$245,671 in 2012 and \$0 in 2011. 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, 2012, were as follows:

2013	\$ 26,570
2014	25,927
2015	25,265
2016	24,583
2017	23,881
Thereafter	<u>540,103</u>
	<u>\$ 666,329</u>

**6. INTERMOUNTAIN COMBINED FEDERAL CAMPAIGN**

The Organization served as the Principal Combined Fund Organization (PCFO) for the Intermountain Combined Federal Campaign (CFC) in 2012 and 2011. 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 2012-2013 campaigns.

As the fiscal agent for the CFC, the Organization has included approximately \$2,829,000 and \$3,181,000 of pledges in current year campaign results for the years ended December 31, 2012 and 2011, respectively. The Organization has also included approximately \$2,380,000 and \$2,710,000 in allocations to agencies for the years ended December 31, 2012 and 2011, 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, 2012 and 2011**

**6. INTERMOUNTAIN COMBINED FEDERAL CAMPAIGN, continued**

The reimbursements received in the years ended December 31, 2012 and 2011, were \$259,234 and \$201,803, respectively. At December 31, 2012 and 2011, the CFC owed the Organization \$266,572 and \$259,234 for reimbursement of the 2012-2013 and 2011-2012 campaigns expenses, respectively.

CFC makes contributions to various entities based on the designation of its donors. In the years ended December 31, 2012 and 2011, CFC contributed approximately \$199,332 and \$243,106, 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, 2012 and 2011, the Organization deducted \$17,271 and \$21,932, respectively, from member organizations to cover expenses.

**7. OPERATING LEASE COMMITMENTS**

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, 2012:

2013	\$ 46,938
2014	35,888
2015	35,888
2016	<u>5,981</u>
	<u>\$ 124,695</u>

**8. RETIREMENT PLAN**

Effective January 1, 2008, the Organization adopted a 403(b) retirement plan whereby employees that 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, 2012 and 2011, the Organization recognized retirement expenses of approximately \$37,100 and \$36,500, respectively.

**UNITED WAY OF NORTHERN UTAH**  
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**December 31, 2012 and 2011**

**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>2012</u>	<u>2011</u>
2011-2012 Campaign	\$ -	\$ 4,259,614
2012-2013 Campaign	<u>3,901,983</u>	<u>-</u>
<b>Total campaign revenue</b>	<u>\$ 3,901,983</u>	<u>\$ 4,259,614</u>

Included in the 2012 and 2011 campaign revenue above is approximately \$2,380,000 and \$2,710,000, respectively, from CFC.

**10. BOARD-DESIGNATED CASH AND INVESTMENTS**

In May 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. On December 31, 2012 and 2011, the board-designated cash and investments held at the Trust Departments totaled \$2,250,162 and \$2,905,221, respectively.

**11. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets as of December 31, 2012, consisted of designated contributions and grant contributions received in 2012 to be expended thereafter. Temporarily restricted net assets as of December 31, 2011, consisted of designated contributions received in 2011 to be expended thereafter.

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**12. FAIR VALUE MEASUREMENTS**

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

	<b>Quoted Prices in Active Markets for Identical Assets</b>	<b>Significant Other Observable Inputs</b>	<b>Significant Unobservable Inputs</b>	<b>Total</b>
	<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>

**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. Effects of this change for previously periods have not been determined.

**14. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through August 13, 2013, the date on which the financial statements were available to be issued, and has determined that no events requiring additional disclosure have occurred.