

**INLAND EMPIRE UNITED WAY**

**Financial Statements for the Year Ended June 30, 2013  
and Independent Auditor's Report  
with  
Comparative Totals for the Year Ended June 30, 2012**

**INLAND EMPIRE UNITED WAY**

**June 30, 2013**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Inland Empire United Way  
9644 Hermosa Avenue  
Rancho Cucamonga, California 91730

We have audited the accompanying statement of financial position of the Inland Empire United Way (the Organization) as of June 30, 2013 and the related statements of activities, functional expenses and cash flows for the year 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 audit. We conducted our audit 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.

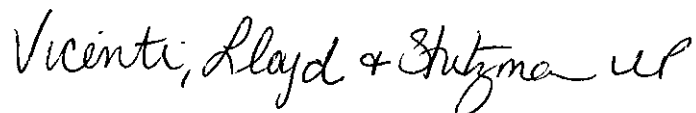
To the Board of Directors  
Inland Empire United Way

### **Opinion**

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the Inland Empire United Way as of June 30, 2013 and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Report on Summarized Comparative Information**

We have previously audited the Organization's 2012 financial statements, and our report dated November 7, 2012, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012, is consistent, in all material respects, with the audited financial statements from which it was derived.



VICENTI, LLOYD & STUTZMAN LLP  
Glendora, CA

November 7, 2013

**INLAND EMPIRE UNITED WAY**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2013**  
**(With Comparative Totals for 2012)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2013</u>	<u>Total 2012</u>
<b><u>ASSETS</u></b>				
Current Assets:				
Cash and cash equivalents	\$ 845,907	\$	\$ 845,907	\$ 500,290
Pledges receivable		1,870,341	1,870,341	1,633,153
Less allowance for uncollectible		(268,651)	(268,651)	(237,985)
Designations receivable		49,001	49,001	39,315
Operating receivables	223		223	1,194
Short-term investments	400,000		400,000	600,000
Inventory	1,490,731		1,490,731	1,644,252
Prepaid expenses	20,155		20,155	13,679
Deposits	21,150		21,150	21,150
Total Current Assets	<u>2,778,166</u>	<u>1,650,691</u>	<u>4,428,857</u>	<u>4,215,048</u>
Non-Current Assets:				
Equipment and leasehold improvements	919,248		919,248	892,206
Less accumulated depreciation	<u>(891,305)</u>		<u>(891,305)</u>	<u>(828,247)</u>
Total Non-Current Assets	<u>27,943</u>	<u>-</u>	<u>27,943</u>	<u>63,959</u>
Total assets	<u>\$ 2,806,109</u>	<u>\$ 1,650,691</u>	<u>\$ 4,456,800</u>	<u>\$ 4,279,007</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>				
Liabilities:				
Designations payable	\$ 45,679	\$	\$ 45,679	\$ 47,589
Operating accounts payable	28,566		28,566	26,727
Accrued expenses	138,189		138,189	116,056
Total liabilities	<u>212,434</u>	<u>-</u>	<u>212,434</u>	<u>190,372</u>
Net Assets:				
Unrestricted net assets				
Unappropriated	2,146,471		2,146,471	2,206,948
Board appropriated	447,204		447,204	447,204
Temporarily restricted		1,650,691	1,650,691	1,434,483
Total net assets	<u>2,593,675</u>	<u>1,650,691</u>	<u>4,244,366</u>	<u>4,088,635</u>
Total liabilities and net assets	<u>\$ 2,806,109</u>	<u>\$ 1,650,691</u>	<u>\$ 4,456,800</u>	<u>\$ 4,279,007</u>

See the accompanying auditor's report and notes to the financial statements.

**INLAND EMPIRE UNITED WAY**

**STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2013**

(With Comparative Totals for 2012)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2013</u>	<u>Total 2012</u>
<b><u>PUBLIC SUPPORT AND OTHER REVENUES</u></b>				
Campaign Revenue:				
Gross campaign result (prior years)	\$ 137,449	\$	\$ 137,449	\$ 290,056
Less designations & pass-through	(31,168)		(31,168)	(213,886)
Net campaign revenue (prior years)	106,281	-	106,281	76,170
Gross campaign result (current year)		3,541,907	3,541,907	3,522,764
Less designations & pass through		(1,236,899)	(1,236,899)	(1,236,587)
Less provision for uncollectible		(325,633)	(325,633)	(305,026)
Net campaign revenue (current year)	-	1,979,375	1,979,375	1,981,151
Net campaign revenue	106,281	1,979,375	2,085,656	2,057,321
Other Revenues:				
Gifts in kind	1,355,359		1,355,359	1,398,495
Service fees	38,760		38,760	23,505
Program fees	67,219		67,219	87,378
Grants and contracts	1,436,684		1,436,684	1,091,728
Investment income	1,135		1,135	1,254
Sales and miscellaneous income	5,726		5,726	(765)
Sponsorships	75,950		75,950	46,489
Net assets released from restriction	1,763,167	(1,763,167)	-	-
Total other revenue	4,744,000	(1,763,167)	2,980,833	2,648,084
Total public support and other revenues	4,850,281	216,208	5,066,489	4,705,405
<b><u>EXPENSES</u></b>				
Program Services:				
Gross funds awarded/distributed	1,745,563		1,745,563	1,738,260
Less donor designations	(1,231,057)		(1,231,057)	(1,230,234)
Net funds awarded/distributed	514,506	-	514,506	508,026
Community Programs:				
211 Initiative	1,210,483		1,210,483	1,003,613
Education & Health Initiative	1,924,421		1,924,421	2,099,837
Volunteer Initiative	444,378		444,378	357,383
Other initiatives	134,678		134,678	141,190
Total Community Service	3,713,960	-	3,713,960	3,602,023
Supporting Services:				
Management and general	177,244		177,244	176,082
Fund raising	505,048		505,048	451,272
Total supporting services	682,292	-	682,292	627,354
Total expenses	4,910,758	-	4,910,758	4,737,403
Change in net assets	(60,477)	216,208	155,731	(31,998)
Net Assets - beginning of year	2,654,152	1,434,483	4,088,635	4,120,633
Net Assets - end of year	\$ 2,593,675	\$ 1,650,691	\$ 4,244,366	\$ 4,088,635

See the accompanying auditor's report and notes to the financial statements.

**INLAND EMPIRE UNITED WAY**

**STATEMENT OF CASH FLOWS  
For the Year Ended June 30, 2013**

**(With Comparative Totals for 2012)**

	<b>2013</b>	<b>2012</b>
<b>Reconciliation of Change in Net Assets to Net Cash Provided by Operating Activities</b>		
Change in net assets	\$ 155,731	\$ (31,998)
<b>Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities</b>		
Non-cash gifts received	(1,355,359)	(1,398,495)
Non-cash gifts made	1,504,242	1,660,407
Depreciation	63,058	51,251
Loss (gain) on uncollectible pledges	30,666	(9,787)
(Increase)/decrease in:		
Pledge and other receivables	(245,903)	23,233
Inventory	4,638	(1,574)
Prepaid expenses and deposits	(6,476)	(7,700)
Increase/(decrease) in:		
Designations payable	(1,910)	14,337
Accrued expenses and operating account payable	23,972	20,140
Total adjustments	16,928	351,812
<b>Net Cash Provided by Operating Activities</b>	<b>172,659</b>	<b>319,814</b>
<b>Cash Flows from Investing Activities</b>		
Leasehold improvements and equipment acquisitions	(27,042)	(4,919)
Maturity of short-term investments	650,000	500,000
Purchase of short-term investments	(450,000)	(900,000)
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>172,958</b>	<b>(404,919)</b>
<b>Net Increase (Decrease) in Cash</b>	345,617	(85,105)
<b>Cash - Beginning of Year</b>	500,290	585,395
<b>Cash - End of Year</b>	\$ 845,907	\$ 500,290

See the accompanying auditor's report and notes to the financial statements.

**INLAND EMPIRE UNITED WAY**

**Statement of Functional Expenses  
For the Year Ended June 30, 2013**

**(With Comparative Totals for 2012)**

	Community Programs				Supporting Services			Total	
	Education		Other	Total	Management & General	Fund Raising	Total	2013	2012
	211 Initiative	& Health & Initiative	Volunteer Initiative						
<b>Personnel Expenses:</b>									
Salaries and wages	\$ 720,412	\$ 199,681	\$ 268,973	\$ 87,685	\$ 1,276,751	\$ 106,954	\$ 283,554	\$ 390,508	\$ 1,667,259
Payroll taxes	63,266	17,018	22,502	8,181	110,967	7,234	24,363	31,597	142,564
Travel and per diem	5,426	237	2,151	4,211	12,025	2,598	7,064	9,662	21,687
Employee benefits	155,195	47,005	36,884	15,806	254,890	17,885	55,083	72,968	327,858
<b>Total Personnel Expenses</b>	<b>944,299</b>	<b>263,941</b>	<b>330,510</b>	<b>115,883</b>	<b>1,654,633</b>	<b>134,671</b>	<b>370,064</b>	<b>504,735</b>	<b>1,903,991</b>
<b>Other Operating Expenses:</b>									
Contract labor	4,367				4,367		500	500	4,867
Events	1,635	232	32,788	45	34,700	62	34,728	34,790	69,490
Fees	1,081	1,365	29	8	2,483	191	4,128	4,319	6,802
Food		80,638			80,638		-	-	80,638
Gifts in-kind		1,504,242			1,504,242				1,504,242
Insurance	14,057	4,446	5,181	1,443	25,127	1,976	6,152	8,128	33,255
Legal and accounting	2,000				2,000	14,215		14,215	16,215
Maintenance/repairs - equipment	5,592	2,685	999	272	9,548	382	5,230	5,612	15,160
Maintenance/repairs - facility	5,203	1,588	1,849	516	9,156	706	2,206	2,912	12,068
Misc expenses	4,512	1,481	1,751	393	8,137	2,716	5,022	7,738	15,875
Printing	6,251	878	1,457	154	8,740	211	4,494	4,705	13,445
Rent/lease - equipment	1,302	412	480	134	2,328	183	570	753	3,132
Rent/lease - facility	74,502	23,564	27,460	7,649	133,175	10,469	32,606	43,075	176,250
Seminar/training expense	6,693	1,951	2,986	646	12,276	817	1,790	2,607	14,883
Subscriptions, dues and association fees	5,647	920	6,864	205	13,636	196	3,957	4,153	17,789
Supplies	16,314	13,372	7,779	550	38,015	1,018	4,873	5,891	43,906
Technical support					-				4,050
Telephone & internet	61,856	4,577	3,716	1,010	71,159	1,506	4,382	5,888	77,047
Utilities	13,735	4,344	5,063	1,408	24,550	1,930	6,014	7,944	32,494
Volunteer meetings and meals	639	880	429	173	2,121	261	476	737	2,858
<b>Total Other Functional Expense</b>	<b>225,386</b>	<b>1,647,575</b>	<b>98,831</b>	<b>14,606</b>	<b>1,986,398</b>	<b>36,839</b>	<b>117,128</b>	<b>153,967</b>	<b>2,140,365</b>
Depreciation expense	26,655	8,431	9,824	2,737	47,647	3,746	11,666	15,412	63,059
United Way Fairshare	14,143	4,474	5,213	1,452	25,282	1,988	6,190	8,178	33,460
<b>Total Operating Expense</b>	<b>1,210,483</b>	<b>1,924,421</b>	<b>444,378</b>	<b>134,678</b>	<b>3,713,960</b>	<b>177,244</b>	<b>505,048</b>	<b>682,292</b>	<b>4,229,377</b>
Funds awarded/distributed				1,745,563	1,745,563				1,745,563
Less donor designations				(1,231,057)	(1,231,057)				(1,231,057)
<b>Total Functional Expense</b>	<b>\$ 1,210,483</b>	<b>\$ 1,924,421</b>	<b>\$ 444,378</b>	<b>\$ 649,184</b>	<b>\$ 4,228,466</b>	<b>\$ 177,244</b>	<b>\$ 505,048</b>	<b>\$ 682,292</b>	<b>\$ 4,737,403</b>

See the accompanying auditor's report and notes to the financial statements.



**INLAND EMPIRE UNITED WAY**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2013**

**NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:**

**NATURE AND MISSION OF ORGANIZATION**

The Inland Empire United Way (the Organization) was organized under the laws of the State of California as a nonprofit public benefit corporation on January 14, 1992, as the Mt. Baldy United Way. The Organization works in partnership with local community leaders, businesses, government agencies, nonprofit organizations and individuals to build a stronger community. The mission of the Organization is to engage the caring power of communities to make positive, sustainable changes, improve lives, and assist in times of disaster.

The Organization's service area covers regions of Los Angeles, San Bernardino and Riverside counties in California.

**CAMPAIGN PLEDGES AND APPROPRIATIONS**

An annual fundraising campaign is conducted each fall to obtain donations and pledges to fund the subsequent year's operations. Accordingly, a receivable is recorded at year-end for outstanding campaign pledges with an allowance for amounts estimated to be uncollectible. Substantially all of the pledges receivable at June 30, 2013, are from corporations and individuals. The Organization maintains reserves for potential uncollectible pledges which, in the aggregate, have not exceeded management's expectations. After two years, uncollected campaign pledges are written off.

Donations and pledges to specific programs are recorded as temporarily restricted revenues in the campaign year and released into unrestricted net assets as time restrictions are satisfied in the subsequent years. Donor designated pledges are accounted for as a liability until dispensed to the designated agency. Those amounts are not accounted for as revenue by the Organization but are reported as part of campaign results from which the amounts are then deducted to arrive at campaign revenue.

Provision for uncollectible pledges is computed based upon historical averages adjusted by management estimates of current economic factors, applied to gross campaign revenue excluding donor designations.

**INLAND EMPIRE UNITED WAY**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2013**

**NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:**  
**(continued)**

**CAMPAIGN PLEDGES AND APPROPRIATIONS** (continued)

Donor designated pledges are assessed a fundraising and a processing fee based on actual historical costs in accordance with United Way of America membership standards as outlined in their publication entitled *United Way of America Implementation Requirements for Membership Standard M (Cost Deduction for Designated Funds)*.

**BASIS OF PRESENTATION**

The Organization follows standards of accounting and financial reporting for voluntary health and welfare organizations as described in the American Institute of Certified Public Accountants' *Audit and Accounting Guide for Not-For-Profit Organizations*. Accordingly, the financial statements are prepared on the accrual basis of accounting.

The Organization maintains its accounts in accordance with the principles of fund accounting. All financial transactions have been recorded in and reported by the following net asset groups:

Unrestricted net assets represent resources over which the Board of Directors has discretionary control and are used to carry out operations of the Organization in accordance with its bylaws. The use of portions of these assets has been designated by the Board of Directors for specific purposes.

Temporarily Restricted net assets are primarily comprised of pledges receivable from the annual campaign, which are restricted for allocation to agencies, program funding and operating expenses in the coming year, or which carry time or purpose restrictions as specified by the donor.

Permanently restricted net assets are subject to donor-imposed stipulations that they be maintained permanently by the Organization. The Organization does not have any permanently restricted net assets.

**ACCOUNTING ESTIMATES**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (US GAAP) requires the use of certain estimates by management. The significant items in these statements that are affected by management estimates are allowance for doubtful accounts, depreciation, valuation of donated services and materials, and allocations of functional expenses.

**INLAND EMPIRE UNITED WAY**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2013**

**NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:**  
**(continued)**

**CONTRIBUTIONS**

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional, and are recorded as unrestricted, temporarily restricted or permanently restricted, depending on the existence and nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of demand deposits in banks, cash on hand and money market accounts. For the purpose of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**INVESTMENTS**

The Organization maintains investments in certificates of deposit with original maturities of over 90 days. Investments are reported at fair value.

The Organization maintains its certificates of deposit with several financial institutions which are secured by the Federal Deposit Insurance Corporation up to \$250,000.

**INLAND EMPIRE UNITED WAY**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2013**

**NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:**

**(continued)**

**INVENTORY AND GIFTS IN-KIND**

Inventory consists primarily of school supplies, children's books, children's clothing and foodstuffs, and is valued at the lower of cost or net realizable value, on the first-in-first out method. This inventory is held primarily for distribution without charge to schools, teachers, and children through the Organization's various programs. Significant portions of the inventory are donated, primarily by large corporations within the Organization's service area. These donations are recorded as in-kind gifts at the estimated net realizable value of the items at the time of the donation.

**PROPERTY AND EQUIPMENT AND DEPRECIATION**

It is the practice of the Organization to capitalize equipment and leasehold improvements in excess of \$500. Purchased equipment and leasehold improvements are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value on the date of the gift. Major improvements and renewals are capitalized, while ordinary maintenance and repairs are expensed. Management annually reviews these assets to determine whether carrying values have been impaired. Depreciation is calculated using the straight-line method over three to seven years.

**FUNCTIONAL EXPENSES**

Functional expenses are charged to each program based on direct expenditures incurred. Any program expenses not directly chargeable are allocated to program services and supporting services based on analysis of personnel time as recommended by the United Way in its publication, *United Way of America Functional Expenses and Overhead Reporting Standards* (revised 2003).

**DONATED SERVICES**

During the year ended June 30, 2013, the value of contributed services received that met the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization at its facilities, but these services do not meet the criteria for recognition as contributed services.

**INLAND EMPIRE UNITED WAY**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2013**

**NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:**

**(continued)**

**INCOME TAXES**

The Organization is a not-for-profit organization that is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code and section 23701d of the California Revenue and Taxation Code. It is classified by the Internal Revenue Service as other than a private foundation.

The Organization has evaluated its tax positions and the certainty as to whether those positions will be sustained in the event of any audit by taxing authorities at the federal and state levels. The primary tax positions evaluated relate to the Organization's continued qualification as a tax-exempt organization and whether there are unrelated business income activities that would be taxable. Management has determined that all income tax positions will more likely than not (>50%) be sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required.

The Organization files informational returns in the U.S. federal jurisdiction and the state of California. The statute of limitations for federal and California state purposes is generally three and four years, respectively.

**CONCENTRATION OF CREDIT RISK**

The Organization maintains deposits in two banks located in Southern California which are secured by the Federal Deposit Insurance Corporation up to \$250,000 at each bank. The balances in these banks at June 30, 2013 exceeded the insured limit by \$355,077. Management does not consider this concentration to be a significant credit risk.

**SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through November 7, 2013, which is the date these financial statements were available to be issued. There were no subsequent events requiring recognition or disclosure.

**INLAND EMPIRE UNITED WAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

**NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:**  
**(continued)**

**COMPARATIVE TOTALS AND RECLASSIFICATIONS**

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the year ended June 30, 2012, from which the summarized information was derived.

Certain 2012 amounts have been reclassified to conform to the 2013 financial statement presentation. Net assets and changes in net assets are unchanged due to these reclassifications.

**NOTE 2 – CASH:**

Cash and cash equivalents consist of the following:

	2013	2012
Petty cash	\$ 1,000	\$ 1,000
Cash in interest bearing checking and savings accounts	457,872	337,611
Cash in money market accounts	387,035	161,679
	\$ 845,907	\$ 500,290

**NOTE 3 – INVESTMENTS:**

Investments at June 30, 2013, consist of certificates of deposit of \$400,000 recorded at fair value. Fair value has been determined based on level 1 fair value measurements. Level 1 is defined as quoted prices in an active market for identical assets.

**INLAND EMPIRE UNITED WAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

**NOTE 4 – PLEDGES RECEIVABLE:**

Pledges receivable consist of:

	<u>2013</u>	<u>2012</u>
Current year's campaign	1,525,267	1,321,171
Prior year's campaigns	345,074	311,982
Designations receivable	<u>49,001</u>	<u>39,315</u>
	1,919,342	1,672,468
Less allowance for uncollectible	<u>(268,651)</u>	<u>(237,985)</u>
	<u>\$ 1,650,691</u>	<u>\$ 1,434,483</u>

Pledges receivable from three major corporate donors, that also collect individual employee pledges and remit them to the Organization, comprise approximately 44% of the total gross receivables for both the current and prior campaign years.

**NOTE 5 – EQUIPMENT AND LEASEHOLD IMPROVEMENTS:**

Equipment and leasehold improvements include the following at June 30:

	<u>2013</u>	<u>2012</u>
Leasehold improvements	\$ 357,529	\$ 350,964
Vehicles	106,439	106,439
Computer equipment	124,544	107,980
Furniture and equipment	254,518	250,605
Computer software	<u>76,218</u>	<u>76,218</u>
	919,248	892,206
Less: accumulated depreciation	<u>(891,305)</u>	<u>(828,247)</u>
Net equipment and leasehold improvements	<u>\$ 27,943</u>	<u>\$ 63,959</u>

**INLAND EMPIRE UNITED WAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

**NOTE 6 – NET ASSETS:**

The components of net assets were as follows on June 30:

	<u>2013</u>	<u>2012</u>
Unrestricted:		
Designated for campaign reserve	\$ 321,030	\$ 321,030
Quasi-endowment, United Way of East Valley	<u>126,174</u>	<u>126,174</u>
Total Designated	447,204	447,204
Unappropriated	<u>2,146,471</u>	<u>2,206,948</u>
Total Unrestricted	2,593,675	2,654,152
Temporarily Restricted:		
Pledges and designations receivable, net of allowance for uncollectible	<u>1,650,691</u>	<u>1,434,483</u>
Total net assets	<u>\$ 4,244,366</u>	<u>\$ 4,088,635</u>

**NOTE 7 – OPERATING LEASES:**

The Organization leases office space under operating leases. These leases expire on various dates through December 31, 2015. In addition to the base rent, the Organization is required to pay utilities, insurance, and maintenance. Rental expense for the year ended June 30, 2013, was \$176,250. The following is a schedule of future minimum rental payments required under the above operating leases as of June 30, 2013:

<u>Year Ending June 30,</u>	<u>Amount</u>
2014	\$ 198,000
2015	204,000
2016	<u>103,500</u>
Total	<u>\$ 505,500</u>

**NOTE 8 – EMPLOYEE BENEFITS:**

Employee benefits payable consist of payroll taxes, 403(b) retirement plan, health care benefits, long-term disability and workers' compensation insurance. Accrued vacation totaled \$82,153 at June 30, 2013. This liability is included with the amount reported as accrued expenses.



**INLAND EMPIRE UNITED WAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

**NOTE 9 – RETIREMENT PLAN:**

Effective November 1, 1993, Mt. Baldy United Way established a 403(b) retirement plan for its employees. All employees are eligible for salary deferrals and employer matching contributions immediately upon employment. The employees may contribute up to 20% of their annual wages and the Organization will match 25% of the employee contribution up to 8% of employee compensation. The Board may change the employer contribution annually. Employer matching contributions to the plan were \$6,163 for the year ended June 30, 2013. Participants are 100% vested in all contributions.