

**INLAND EMPIRE UNITED WAY**

**Financial Statements for the Year Ended June 30, 2014  
and Independent Auditor's Report  
with  
Comparative Totals for the Year Ended June 30, 2013**

**INLAND EMPIRE UNITED WAY**

**June 30, 2014**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
<b>INDEPENDENT AUDITOR'S REPORT .....</b>	1-2
<b>BASIC FINANCIAL STATEMENTS:</b>	
Statement of Financial Position .....	3
Statement of Activities .....	4
Statement of Cash Flows.....	5
Statement of Functional Expenses .....	6
<b>NOTES TO FINANCIAL STATEMENTS .....</b>	7-15



## 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, 2014 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.

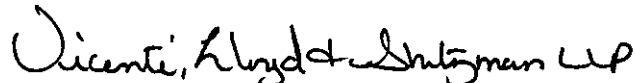
To the Board of Directors  
Inland Empire United Way

### **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, 2014 and the changes 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 2013 financial statements and we expressed an unmodified opinion on those audited financial statements in our report dated November 7, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

  
VICENTI, LLOYD & STUTZMAN LLP  
Glendora, California

October 14, 2014

**INLAND EMPIRE UNITED WAY**

**STATEMENT OF FINANCIAL POSITION**

**June 30, 2014**

**(With Comparative Totals for 2013)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2014</u>	<u>Total 2013</u>
<b><u>ASSETS</u></b>				
Current Assets:				
Cash and cash equivalents	\$ 949,485	\$	\$ 949,485	\$ 845,907
Pledges receivable		1,777,244	1,777,244	1,870,341
Less allowance for uncollectible		(240,402)	(240,402)	(268,651)
Designations receivable		29,981	29,981	49,001
Operating receivables	4,464		4,464	223
Short-term investments	550,000		550,000	400,000
Inventory	2,252,828		2,252,828	1,490,731
Prepaid expenses	12,362		12,362	20,155
Deposits	46,150		46,150	21,150
Total current assets	<u>3,815,289</u>	<u>1,566,823</u>	<u>5,382,112</u>	<u>4,428,857</u>
Non-current assets:				
Equipment and leasehold improvements	932,254		932,254	919,248
Less accumulated depreciation	(909,605)		(909,605)	(891,305)
Total non-current assets	<u>22,649</u>	<u>-</u>	<u>22,649</u>	<u>27,943</u>
 Total assets	<u>\$ 3,837,938</u>	<u>\$ 1,566,823</u>	<u>\$ 5,404,761</u>	<u>\$ 4,456,800</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>				
Liabilities:				
Designations payable	\$ 51,524	\$	\$ 51,524	\$ 45,679
Operating accounts payable	58,110		58,110	28,566
Accrued expenses	167,057		167,057	138,189
Total liabilities	<u>276,691</u>	<u>-</u>	<u>276,691</u>	<u>212,434</u>
Net Assets:				
Unrestricted net assets				
Unappropriated	3,240,217		3,240,217	2,146,471
Board appropriated	321,030		321,030	447,204
Temporarily restricted		1,566,823	1,566,823	1,650,691
Total net assets	<u>3,561,247</u>	<u>1,566,823</u>	<u>5,128,070</u>	<u>4,244,366</u>
 Total liabilities and net assets	<u>\$ 3,837,938</u>	<u>\$ 1,566,823</u>	<u>\$ 5,404,761</u>	<u>\$ 4,456,800</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, 2014**

**(With Comparative Totals for 2013)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2014</u>	<u>Total 2013</u>
<b><u>PUBLIC SUPPORT AND OTHER REVENUES</u></b>				
Campaign Revenue:				
Gross campaign result (prior years)	\$ 128,193	\$	\$ 128,193	\$ 137,449
Less designations & pass-through	(66,004)		(66,004)	(31,168)
Net campaign revenue (prior years)	<u>62,189</u>	<u>-</u>	<u>62,189</u>	<u>106,281</u>
Gross campaign result (current year)		3,427,388	3,427,388	3,541,907
Less designations & pass through		(1,248,736)	(1,248,736)	(1,236,899)
Less provision for uncollectible		(306,699)	(306,699)	(325,633)
Net campaign revenue (current year)	<u>-</u>	<u>1,871,953</u>	<u>1,871,953</u>	<u>1,979,375</u>
Net campaign revenue	<u>62,189</u>	<u>1,871,953</u>	<u>1,934,142</u>	<u>2,085,656</u>
Other Revenues:				
Gifts in kind	2,292,405		2,292,405	1,355,359
Service fees	37,637		37,637	38,760
Program fees	52,511		52,511	67,219
Grants and contracts	1,668,450		1,668,450	1,436,684
Investment income	1,623		1,623	1,135
Sales and miscellaneous income	13		13	5,726
Sponsorships	64,275		64,275	75,950
Net assets released from restriction	<u>1,955,821</u>	<u>(1,955,821)</u>	<u>-</u>	<u>-</u>
Total other revenue	<u>6,072,735</u>	<u>(1,955,821)</u>	<u>4,116,914</u>	<u>2,980,833</u>
Total public support and other revenues	<u>6,134,924</u>	<u>(83,868)</u>	<u>6,051,056</u>	<u>5,066,489</u>
<b><u>EXPENSES</u></b>				
Program Services:				
Gross funds awarded/distributed	1,773,548		1,773,548	1,745,563
Less donor designations	(1,248,736)		(1,248,736)	(1,231,057)
Net funds awarded/distributed	<u>524,812</u>	<u>-</u>	<u>524,812</u>	<u>514,506</u>
Community Programs:				
211 Initiative	1,276,355		1,276,355	1,210,483
Education & Health Initiative	2,002,799		2,002,799	1,924,421
Volunteer Initiative	499,039		499,039	444,378
Other initiatives	239,339		239,339	134,678
Total community service	<u>4,017,532</u>	<u>-</u>	<u>4,017,532</u>	<u>3,713,960</u>
Supporting Services:				
Management and general	138,505		138,505	177,244
Fund raising	486,503		486,503	505,048
Total supporting services	<u>625,008</u>	<u>-</u>	<u>625,008</u>	<u>682,292</u>
Total expenses	<u>5,167,352</u>	<u>-</u>	<u>5,167,352</u>	<u>4,910,758</u>
Change in net assets	967,572	(83,868)	883,704	155,731
Net Assets - beginning of year	<u>2,593,675</u>	<u>1,650,691</u>	<u>4,244,366</u>	<u>4,088,635</u>
Net Assets - end of year	<u>\$ 3,561,247</u>	<u>\$ 1,566,823</u>	<u>\$ 5,128,070</u>	<u>\$ 4,244,366</u>

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, 2014**

**(With Comparative Totals for 2013)**

	<b>2014</b>	<b>2013</b>
<b>Reconciliation of Change in Net Assets to Net Cash Provided by Operating Activities</b>		
Change in net assets	\$ 883,704	\$ 155,731
<b>Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities</b>		
Non-cash gifts received	(2,292,405)	(1,355,359)
Non-cash gifts made	1,530,246	1,504,242
Depreciation	18,301	63,059
Loss (gain) on uncollectible pledges	(28,249)	30,666
(Increase)/decrease in:		
Pledge and other receivables	107,876	(245,903)
Inventory	62	4,638
Prepaid expenses and deposits	(17,207)	(6,476)
Increase/(decrease) in:		
Designations payable	5,845	(1,910)
Accrued expenses and operating account payable	58,412	23,972
Total adjustments	(617,119)	16,929
<b>Net Cash Provided by Operating Activities</b>	<b>266,585</b>	<b>172,660</b>
<b>Cash Flows from Investing Activities</b>		
Leasehold improvements and equipment acquisitions	(13,007)	(27,043)
Maturity of short-term investments	400,000	650,000
Purchase of short-term investments	(550,000)	(450,000)
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>(163,007)</b>	<b>172,957</b>
<b>Net Increase in Cash and Cash Equivalents</b>	103,578	345,617
<b>Cash and Cash Equivalents - Beginning of Year</b>	845,907	500,290
<b>Cash and Cash Equivalents - End of Year</b>	\$ 949,485	\$ 845,907

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, 2014

(With Comparative Totals for 2013)

	Community Programs				Supporting Services			Total		
	211 Initiative	Education & Health Initiative	Volunteer Initiative	Other Initiatives	Total	Management & General	Fund Raising		Total	
<b>Personnel Expenses:</b>										
Salaries and wages	\$ 788,314	\$ 223,518	\$ 332,717	\$ 126,085	\$ 1,470,634	\$ 67,637	\$ 262,695	\$ 3,330,332	\$ 1,800,966	\$ 1,667,259
Payroll taxes	67,489	18,948	26,140	11,283	123,860	5,869	21,664	27,533	151,393	142,564
Travel and per diem	8,809	2,087	2,504	5,027	18,427	2,210	6,468	8,678	27,105	21,687
Employee benefits	162,702	59,367	50,280	22,688	295,037	14,941	45,519	60,460	355,497	327,858
<b>Total Personnel Expenses</b>	<b>1,027,314</b>	<b>303,920</b>	<b>411,641</b>	<b>165,083</b>	<b>1,907,958</b>	<b>90,637</b>	<b>336,346</b>	<b>427,003</b>	<b>2,334,961</b>	<b>2,159,368</b>
<b>Other Operating Expenses:</b>										
Consulting	-	-	-	26,286	26,286	-	-	-	26,286	-
Contract labor	7,771	2,814	2,290	19,235	32,110	1,481	3,517	4,998	37,108	4,867
Events	1,277	994	23,142	4,372	29,785	35	41,170	41,205	70,990	69,490
Fees	1	1,240	-	-	1,241	200	10,175	10,375	11,616	6,802
Food	-	91,347	-	-	91,347	-	-	-	91,347	80,638
Gifts in-kind	-	1,530,246	-	-	1,530,246	-	-	-	1,530,246	1,504,242
Insurance	16,716	5,430	4,893	2,243	29,282	2,746	6,966	9,712	38,994	33,255
Legal and accounting	2,000	-	-	-	2,000	14,521	-	14,521	16,521	16,215
Maintenance/repairs - equipment	3,550	2,833	987	446	7,816	527	6,095	6,622	14,438	15,160
Maintenance/repairs - facility	7,646	2,610	1,860	870	12,986	1,061	2,671	3,732	16,718	12,068
Miscellaneous expenses	9,312	1,777	1,815	820	13,724	4,187	4,428	8,615	22,339	15,875
Printing	6,233	175	627	168	7,203	19	8,595	8,614	15,817	13,445
Rent/lease - equipment	1,497	485	451	196	2,629	242	627	869	3,498	3,081
Rent/lease - facility	83,481	27,046	25,051	10,946	146,524	13,520	34,957	48,477	195,001	176,250
Seminar/training expense	6,276	2,020	3,812	1,538	13,646	722	1,886	2,608	16,254	14,883
Subscriptions, dues and association fees	4,770	358	4,061	195	9,384	184	4,864	5,048	14,432	17,789
Supplies	12,679	12,956	3,530	649	29,814	750	5,541	6,291	36,105	43,906
Telephone & internet	48,695	4,292	3,095	1,334	57,416	1,720	3,891	5,611	63,027	77,047
Utilities	13,753	4,451	4,167	1,787	24,158	2,215	5,770	7,985	32,143	32,494
Volunteer meetings and meals	1,317	703	566	455	3,041	278	481	759	3,800	2,858
<b>Total Other Functional Expense</b>	<b>226,974</b>	<b>1,691,777</b>	<b>80,347</b>	<b>71,540</b>	<b>2,070,638</b>	<b>44,408</b>	<b>141,634</b>	<b>186,042</b>	<b>2,256,680</b>	<b>2,140,365</b>
Depreciation expense	8,089	2,559	2,981	831	14,460	1,137	2,704	3,841	18,301	63,059
United Way Fairshare	13,978	4,543	4,070	1,885	24,476	2,303	5,819	8,122	32,598	33,460
<b>Total Operating Expense</b>	<b>1,276,355</b>	<b>2,002,799</b>	<b>499,039</b>	<b>239,339</b>	<b>4,017,532</b>	<b>138,505</b>	<b>486,503</b>	<b>625,008</b>	<b>4,642,540</b>	<b>4,396,252</b>
Funds awarded/distributed	-	-	-	1,773,548	1,773,548	-	-	-	1,773,548	1,745,563
Less donor designations	-	-	-	(1,248,736)	(1,248,736)	-	-	-	(1,248,736)	(1,231,057)
<b>Total Functional Expense</b>	<b>\$ 1,276,355</b>	<b>\$ 2,002,799</b>	<b>\$ 499,039</b>	<b>\$ 764,151</b>	<b>\$ 4,542,344</b>	<b>\$ 138,505</b>	<b>\$ 486,503</b>	<b>\$ 625,008</b>	<b>\$ 5,167,352</b>	<b>\$ 4,910,758</b>

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



**INLAND EMPIRE UNITED WAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

**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. In 2004, Mt. Baldy United Way merged with the Redlands United Way and became known as the Inland Empire 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.

**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.

**INLAND EMPIRE UNITED WAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

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

**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.

**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.

**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, 2014, are from corporations and individuals.

The Organization maintains reserves for potential uncollectible pledges which, in the aggregate, have not exceeded management's expectations. The reserve 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. 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.

**INLAND EMPIRE UNITED WAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

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

**CAMPAIGN PLEDGES, 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)*.

**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.

**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.

**INLAND EMPIRE UNITED WAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

**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.

**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, 2014, 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, 2014**

**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. Occasionally, the Organization may maintain balances in excess of the insured amount. Management does not consider this concentration to be a significant credit risk.

**SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through October 14, 2014, 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, 2014**

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

**COMPARATIVE TOTALS**

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, 2013, from which the summarized information was derived.

**NOTE 2 – CASH:**

Cash and cash equivalents consist of the following:

	<u>2014</u>	<u>2013</u>
Petty cash	\$ 1,000	\$ 1,000
Cash in interest bearing checking and savings accounts	761,008	457,872
Cash in money market accounts	<u>187,477</u>	<u>387,035</u>
	<u>\$ 949,485</u>	<u>\$ 845,907</u>

**NOTE 3 – INVESTMENTS:**

Investments at June 30, 2014, consist of certificates of deposit of \$550,000 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, 2014**

**NOTE 4 – PLEDGES RECEIVABLE:**

Pledges receivable consist of:

	<u>2014</u>	<u>2013</u>
Current year's campaign	1,448,094	1,525,267
Prior year's campaigns	329,150	345,074
Designations receivable	<u>29,981</u>	<u>49,001</u>
	1,807,225	1,919,342
Less allowance for uncollectible	<u>(240,402)</u>	<u>(268,651)</u>
	<u>\$ 1,566,823</u>	<u>\$ 1,650,691</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>2014</u>	<u>2013</u>
Leasehold improvements	\$ 358,834	\$ 357,529
Vehicles	106,439	106,439
Computer equipment	136,245	124,544
Furniture and equipment	254,518	254,518
Computer software	<u>76,218</u>	<u>76,218</u>
	932,254	919,248
Less: accumulated depreciation	<u>(909,605)</u>	<u>(891,305)</u>
Net equipment and leasehold improvements	<u>\$ 22,649</u>	<u>\$ 27,943</u>

**INLAND EMPIRE UNITED WAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

**NOTE 6 – NET ASSETS:**

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

	<u>2014</u>	<u>2013</u>
Unrestricted:		
Designated for campaign reserve	\$ 321,030	\$ 321,030
Quasi-endowment, United Way of East Valley		<u>126,174</u>
Total board appropriated	321,030	447,204
Unappropriated	<u>3,240,217</u>	<u>2,146,471</u>
Total Unrestricted	3,561,247	2,593,675
Temporarily Restricted:		
Pledges and designations receivable, net of allowance for uncollectible	<u>1,566,823</u>	<u>1,650,691</u>
Total net assets	<u>\$ 5,128,070</u>	<u>\$ 4,244,366</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, 2014, was \$195,001. The following is a schedule of future minimum rental payments required under the above operating leases as of June 30, 2014:

<u>Year Ending June 30,</u>	<u>Amount</u>
2015	\$ 204,000
2016	<u>103,500</u>
Total	<u>\$ 307,500</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 \$87,141 at June 30, 2014. This liability is included with the amount reported as accrued expenses.



**INLAND EMPIRE UNITED WAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

**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 \$5,490 for the year ended June 30, 2014. Participants are 100% vested in all contributions.