

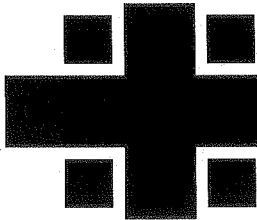
UNITED WAY OF LANE COUNTY

**INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS
June 30, 2014 and 2013**

UNITED WAY OF LANE COUNTY
June 30, 2014 and 2013

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RICHARD MAXWELL CPA LLC

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
United Way of Lane County

We have audited the accompanying financial statements of the United Way of Lane County (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014 and 2013, and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Lane County as of June 30, 2014 and 2013, 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.

Richard Maxwell CPA LLC

Richard Maxwell CPA LLC
Eugene, Oregon
September 29, 2014

UNITED WAY OF LANE COUNTY
Statement of Financial Position
June 30, 2014 and 2013

	2014	2013
Assets		
Current assets:		
Cash and cash equivalents	\$ 794,972	\$ 812,019
Grants and other receivables	62,809	123,519
Pledges receivable, net	1,043,339	1,148,676
Prepaid expenses and other assets	37,783	49,347
Total current assets	1,938,903	2,133,561
Property, plant & equipment, net of accumulated depreciation	622,248	605,779
Long-term investments	539,281	465,741
Total assets	\$ 3,100,432	\$ 3,205,081
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ -	\$ 4,750
Accrued liabilities	79,666	88,852
Donor designations payable	430,905	539,500
Agency allocations payable	622,556	644,556
Total current liabilities	1,133,127	1,277,658
Net assets:		
Unrestricted	1,622,286	1,606,723
Temporarily restricted	281,697	257,378
Permanently restricted	63,322	63,322
Total net assets	1,967,305	1,927,423
Total liabilities and net assets	\$ 3,100,432	\$ 3,205,081

UNITED WAY OF LANE COUNTY
Statement of Activities
For the Year Ended June 30, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
PUBLIC SUPPORT AND REVENUE				
Gross campaign results	\$ 2,126,602	\$ 1,241,796	\$ -	\$ 3,368,398
Less donor designations	-	(1,130,853)	-	(1,130,853)
Less provision for uncollectible pledges	(57,584)	(33,625)	-	(91,209)
Net campaign revenue	<u>2,069,018</u>	<u>77,318</u>	<u>-</u>	<u>2,146,336</u>
Program grants				
Education	-	178,802	-	178,802
Income	-	13,000	-	13,000
Health	-	120,257	-	120,257
Other grants	-	94,698	-	94,698
Sponsorships and events	47,360	-	-	47,360
In-kind support	74,380	-	-	74,380
Service fees	103,468	-	-	103,468
Interest and dividends	6,411	856	-	7,267
Gain on investments	59,477	10,278	-	69,755
Other revenues	28,230	-	-	28,230
Net assets released from restrictions	470,890	(470,890)	-	-
	<u>790,216</u>	<u>(52,999)</u>	<u>-</u>	<u>737,217</u>
Total revenues and other support	<u>2,859,234</u>	<u>24,319</u>	<u>-</u>	<u>2,883,553</u>
EXPENSES				
Program services				
Gross funds awarded	2,377,965	-	-	2,377,965
Less donor designations	(1,130,853)	-	-	(1,130,853)
Net funds awarded to agencies	1,247,112	-	-	1,247,112
Venture grants and special response	108,543	-	-	108,543
Community services	321,170	-	-	321,170
	<u>1,676,825</u>	<u>-</u>	<u>-</u>	<u>1,676,825</u>
Education	162,024	-	-	162,024
Income	81,577	-	-	81,577
Health	156,328	-	-	156,328
Total program services	<u>2,076,754</u>	<u>-</u>	<u>-</u>	<u>2,076,754</u>
Supporting services				
Administration and general	237,989	-	-	237,989
Fundraising	528,928	-	-	528,928
Total supporting services	<u>766,917</u>	<u>-</u>	<u>-</u>	<u>766,917</u>
Total expenses	<u>2,843,671</u>	<u>-</u>	<u>-</u>	<u>2,843,671</u>
Change in net assets	15,563	24,319	-	39,882
Net assets at beginning of year	<u>1,606,723</u>	<u>257,378</u>	<u>63,322</u>	<u>1,927,423</u>
Net assets at end of year	<u>\$ 1,622,286</u>	<u>\$ 281,697</u>	<u>\$ 63,322</u>	<u>\$ 1,967,305</u>

UNITED WAY OF LANE COUNTY
Statement of Activities
For the Year Ended June 30, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
PUBLIC SUPPORT AND REVENUE				
Gross campaign results	2,238,718	\$ 1,340,147	\$ -	\$ 3,578,865
Less donor designations	-	(1,231,241)	-	(1,231,241)
Less provision for uncollectible pledges	(192,070)	43,093	-	(148,977)
Net campaign revenue	<u>2,046,648</u>	<u>151,999</u>	<u>-</u>	<u>2,198,647</u>
Program grants				
Education	-	139,250	-	139,250
Income	-	20,678	-	20,678
Health	-	440,015	-	440,015
Other grants	-	106,561	-	106,561
Sponsorships and events	43,846	-	-	43,846
In-kind support	81,187	-	-	81,187
Service fees	102,974	-	-	102,974
Interest and dividends	5,844	696	-	6,540
Gain on investments	34,062	5,614	-	39,676
Other revenues	16,096	-	-	16,096
Net assets released from restrictions	878,629	(878,629)	-	-
	<u>1,162,638</u>	<u>(165,815)</u>	<u>-</u>	<u>996,823</u>
Total revenues and other support	<u>3,209,286</u>	<u>(13,816)</u>	<u>-</u>	<u>3,195,470</u>
EXPENSES				
Program services				
Gross funds awarded	2,526,753	-	-	2,526,753
Less donor designations	(1,231,241)	-	-	(1,231,241)
Net funds awarded to agencies	1,295,512	-	-	1,295,512
Venture grants and special response	92,788	-	-	92,788
Community services	353,920	-	-	353,920
	<u>1,742,221</u>	<u>-</u>	<u>-</u>	<u>1,742,221</u>
Education	249,120	-	-	249,120
Income	111,914	-	-	111,914
Health	506,197	-	-	506,197
Total program services	<u>2,609,451</u>	<u>-</u>	<u>-</u>	<u>2,609,451</u>
Supporting services				
Administration and general	185,145	-	-	185,145
Fundraising	420,535	-	-	420,535
Total supporting services	<u>605,680</u>	<u>-</u>	<u>-</u>	<u>605,680</u>
Total expenses	<u>3,215,131</u>	<u>-</u>	<u>-</u>	<u>3,215,131</u>
Change in net assets	(5,845)	(13,816)	-	(19,661)
Net assets at beginning of year	<u>1,612,568</u>	<u>271,194</u>	<u>63,322</u>	<u>1,947,084</u>
Net assets at end of year	<u>\$ 1,606,723</u>	<u>\$ 257,378</u>	<u>\$ 63,322</u>	<u>\$ 1,927,423</u>

UNITED WAY OF LANE COUNTY
Statement of Cash Flows
For the Years Ended June 30, 2014 and 2013

	2014	2013
Cash flow from operating activities:		
Change in net assets	\$ 39,882	\$ (19,661)
Adjustments to reconcile the change in net assets to net cash provided (used) by operating activities:		
Depreciation	20,874	19,895
Net gain on investments	(69,755)	(39,676)
Changes in operating assets and liabilities:		
Grants and other receivables	60,710	13,921
Pledges receivable, net	105,337	44,222
Prepaid expenses and other assets	11,564	2,184
Accounts payable	(4,750)	(68,793)
Accrued liabilities	(9,187)	(11,075)
Donor designations payable	(108,595)	56,718
Agency allocations payable	(22,000)	(14,735)
Net cash provided (used) by operating activities	24,080	(17,000)
Cash flows from investing activities:		
Purchases of property, plant & equipment	(37,343)	(8,530)
Purchases of investments	(3,784)	(2,006)
Maturity of certificates of deposit, net	-	117,685
Net cash provided (used) by investing activities	(41,127)	107,149
Net increase (decrease) in cash	(17,047)	90,149
Cash at the beginning of the year	812,019	721,870
Cash at the end of the year	\$ 794,972	\$ 812,019
Supplemental disclosure of cash flow information:		
Non-cash transactions:		
In-kind contributions	\$ (74,380)	\$ (81,187)
In-kind expenses	74,380	81,187

UNITED WAY OF LANE COUNTY
Statement of Functional Expenses
For the Year Ended June 30, 2014

	Program services				Total
	Allocations and Community Services	Education	Income	Health	
	Allocations and awards	\$ 2,377,965	\$ -	\$ -	
Less donor designations	(1,130,853)	-	-	-	(1,130,853)
Net funds awarded to agencies	<u>1,247,112</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,247,112</u>
Venture grants	56,300	-	-	-	56,300
In-kind support	52,243	-	-	-	52,243
	<u>108,543</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>108,543</u>
Salaries and wages	206,860	47,853	50,658	95,399	400,770
Pension plan contributions	8,848	871	2,194	4,381	16,294
Other employee benefits	27,153	4,314	6,735	9,613	47,815
Payroll taxes	12,885	3,804	3,196	8,373	28,258
Purchased Services	-	15,746	6,851	1,655	24,252
Contract services	8,301	817	2,059	98	11,275
Community-building activities	14,033	24,025	580	6,762	45,400
Public education & awareness	-	31,596	18	8,284	39,898
Professional fees	5,718	2,409	1,232	2,398	11,757
Office expense	8,094	14,910	1,744	4,310	29,058
Information technology	3,705	1,645	798	1,553	7,701
Occupancy	7,774	3,276	1,676	3,260	15,986
Travel	934	3,651	201	2,774	7,560
Conferences	398	168	86	563	1,215
Payments to affiliates (UWW dues)	8,625	3,634	1,859	3,617	17,735
Depreciation	5,185	2,185	1,118	2,174	10,662
Insurance	2,001	843	431	839	4,114
Miscellaneous	656	277	141	275	1,349
	<u>321,170</u>	<u>162,024</u>	<u>81,577</u>	<u>156,328</u>	<u>721,099</u>
TOTALS	<u>\$ 1,676,825</u>	<u>\$ 162,024</u>	<u>\$ 81,577</u>	<u>\$ 156,328</u>	<u>\$ 2,076,754</u>
	Supporting services				
	Administration and General	Fundraising	Total		
Salaries and wages	\$ 153,598	\$ 269,118	\$ 422,716		
Pension plan contributions	8,291	14,525	22,816		
Other employee benefits	25,442	44,579	70,021		
Payroll taxes	12,074	21,154	33,228		
Contract services	7,779	13,628	21,407		
Professional fees	4,089	7,174	11,263		
Office expense	5,785	10,155	15,940		
Information technology	2,649	4,648	7,297		
Occupancy	5,557	9,754	15,311		
Travel	667	1,172	1,839		
Conferences	284	500	784		
Payments to affiliates (UWW dues)	6,166	10,822	16,988		
Depreciation	3,707	6,505	10,212		
Insurance	1,431	2,511	3,942		
Campaign expenses	-	89,723	89,723		
Miscellaneous	470	823	1,293		
In-kind services	-	22,137	22,137		
TOTALS	<u>\$ 237,989</u>	<u>\$ 528,928</u>	<u>\$ 766,917</u>		

The accompanying notes are an integral part of this statement.

UNITED WAY OF LANE COUNTY
Statement of Functional Expenses
For the Year Ended June 30, 2013

	Program services				Total
	Allocations and Community Services				
	Education	Income	Health		
Allocations and awards	\$ 2,526,753	\$ -	\$ -	\$ -	\$ 2,526,753
Less donor designations	(1,231,241)	-	-	-	(1,231,241)
Net funds awarded to agencies	<u>1,295,512</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,295,512</u>
Venture grants	38,964	-	-	-	38,964
In-kind support	53,824	-	-	3,154	56,978
	<u>92,788</u>	<u>-</u>	<u>-</u>	<u>3,154</u>	<u>95,942</u>
Salaries and wages	219,427	124,170	72,139	304,700	720,436
Pension plan contributions	9,724	3,107	2,738	4,172	19,741
Other employee benefits	36,432	15,466	9,259	17,680	78,838
Payroll taxes	20,405	8,578	5,605	20,639	55,226
Purchased services	-	940	132	31,600	32,672
Contract services	1,629	616	543	134	2,922
Community-building activities	19,198	16,360	3,254	5,631	44,442
Public education & awareness	-	40,606	6,138	5,952	52,695
Professional fees	6,877	3,571	1,767	23,914	36,129
Office expense	9,022	8,947	2,319	9,476	29,764
Information technology	2,839	1,276	730	23,806	28,651
Occupancy	7,711	3,248	1,982	32,348	45,289
Travel	1,602	4,068	412	12,086	18,168
Conferences	492	10,349	126	3,173	14,140
Payments to affiliates (UWW dues)	9,997	4,210	2,569	4,164	20,940
Depreciation	5,539	2,333	1,423	2,307	11,602
Insurance	1,787	753	459	744	3,743
Miscellaneous	1,240	522	319	517	2,598
	<u>353,920</u>	<u>249,120</u>	<u>111,914</u>	<u>503,043</u>	<u>1,217,997</u>
TOTALS	<u>\$ 1,742,221</u>	<u>\$ 249,120</u>	<u>\$ 111,914</u>	<u>\$ 506,197</u>	<u>\$ 2,609,451</u>
	Supporting services				
	Administration and General	Fundraising	Total		
Salaries and wages	\$ 119,414	\$ 215,074	\$ 334,488		
Pension plan contributions	5,722	10,306	16,028		
Other employee benefits	19,350	34,850	54,200		
Payroll taxes	11,714	21,098	32,812		
Contract services	1,135	2,044	3,179		
Professional fees	3,683	6,613	10,296		
Office expense	4,832	8,676	13,508		
Information technology	1,521	2,730	4,251		
Occupancy	4,130	7,415	11,545		
Travel	858	1,541	2,399		
Conferences	264	473	737		
Payments to affiliates (UWW dues)	5,354	9,613	14,967		
Depreciation	2,966	5,326	8,292		
Insurance	957	1,719	2,676		
Campaign expenses	-	70,237	70,237		
Miscellaneous	664	1,192	1,856		
In-kind support	2,581	21,628	24,209		
TOTALS	<u>\$ 185,145</u>	<u>\$ 420,535</u>	<u>\$ 605,680</u>		

The accompanying notes are an integral part of this statement.

UNITED WAY OF LANE COUNTY
Notes to the Financial Statements
For the Years Ended June 30, 2014 and 2013

Note 1 - Description of Operations and Summary of Significant Accounting Policies

Description of operations – United Way of Lane County (UWLC) is an Oregon nonprofit organization that mobilizes the caring power of the community by raising resources (financial, volunteers, social capital) and investing in strategic areas to address serious human needs and social conditions.

UWLC focuses on education, income and health – the building blocks for a good quality of life. As a necessary foundation to support these strategic priorities, UWLC also funds basic needs services for food, shelter, safety, health care and access to services.

UWLC conducts an annual campaign to raise support for programs and initiatives. Donors have three options for investing their contributions. Unrestricted contributions to UWLC are invested in the three strategic areas identified above and basic needs of the community. Donors may also direct their contributions to one or more of the strategic areas of Health, Education or Income. Contributions may also be directed to a specific nonprofit agency. Community Investment Volunteers allocate unrestricted dollars to partner agencies based on UWLC strategic initiatives and basic needs to the community. Pledges designated by donors to specific nonprofit organizations are segregated as such in the accompanying statements of financial positions.

Basis of accounting – UWLC maintains its books on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Net assets, revenues and expenses are classified based on the existence or absence of donor-imposed restriction. Net assets of UWLC and changes therein are classified into the following three categories:

- *Unrestricted net assets* – represent expendable funds that are available for support of the Organization. Certain of these amounts have been designated by the Board of Directors to be utilized for various purposes.
- *Temporarily restricted net assets* – consist of net assets that have been restricted by the donor for specific purposes or are not available for use until a specific time.
- *Permanently restricted net assets* – consist of net assets with donor restrictions that stipulate the resources be maintained permanently, but permit UWLC to use or expend part or all of the income derived from the donated assets for either specified or unspecified purposes.

UNITED WAY OF LANE COUNTY
Notes to the Financial Statements
For the Years Ended June 30, 2014 and 2013

**Note 1 - Description of Operations and Summary of Significant Accounting Policies
(continued)**

Revenues are reported as unrestricted or temporarily restricted based on the existence or lack of donor-imposed restrictions. Gains and losses on investments and other assets and liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation. Expirations of temporary restrictions on net assets (i.e., the donor stipulated purpose has been fulfilled and/or stipulated time period has elapsed) are reported as reclassifications between applicable classes of net assets.

UWLC donors have the option of designating a portion or all of their pledges to be passed on to a specific non-profit agency. In these cases, ULWC acts as an agent when it receives assets and agrees to remit these assets to the specified agency on a quarterly basis unless otherwise specified by the donor. On the statement of activities, agency transactions have been included within "gross campaign results" and then subtracted and presented distinctly as "donor designations".

Use of estimates – The preparation of the 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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Reclassifications – Certain prior period amounts have been reclassified to conform to the current year financial statement presentation with no effect on the previously stated change in net assets.

Cash – Cash consists of cash maintained in checking and savings accounts and highly liquid investments with original maturities of 90 days or less. Cash is deposited with two regional financial institutions, and exceed amounts insured by the Federal Deposit Insurance Corporation. Such excess amount is \$203,672 and \$342,004 at June 30, 2014 and 2013, respectively.

Investments – Investments in UWLC's long-term investment held by the Oregon Community Foundation are measured at fair value in the statement of financial position. Fair values are based on quoted prices as of the date of the statement of financial position. Investment income or loss (including gains and losses on investments, interest and dividends) is included in the statement of activities as increases or decreases in unrestricted net assets, unless the income or loss is restricted by policy, donor or law.

Grants and other receivables – Credit risk associated with grants and other receivables are periodically reviewed by management. An allowance for uncollectible accounts is established if considered necessary. Grants and other receivables are collectible in the current year and stated at the amount UWLC expects to receive.

UNITED WAY OF LANE COUNTY
Notes to the Financial Statements
For the Years Ended June 30, 2014 and 2013

**Note 1 - Description of Operations and Summary of Significant Accounting Policies
(Continued)**

Pledges receivable, net – Pledges received from companies and individuals are uncollateralized and are recorded in full when pledges are made. All pledges are due within one campaign cycle. Allowances are provided by campaign year based on amounts estimated to be uncollectible, which are based on past collection experience. Pledges receivable are collectible in the current year and stated at the amount UWLC expects to receive.

Property, plant and equipment – Purchased property, plant and equipment are recorded at cost. Donated equipment is recorded at its estimated fair market value on the date of gift. UWLC has a capitalization policy of \$500. Expenditures for maintenance and repairs are charged to expense as incurred. Depreciation is computed over the estimated useful lives of the property and equipment using the straight-line method (5 to 7 years for equipment and 39 years for building). Gains and losses on the disposal of property and equipment are recorded in the period incurred.

Endowment Classification and Distributions – UWLC has adopted the Uniform Prudent Management of Institutional Funds Act, requiring the long-term preservation of the purchasing power of the original gift of donor restricted endowment funds absent explicit donor stipulations to the contrary.

For financial statement presentation purposes, UWLC classifies as permanently restricted net assets (a) all funds explicitly stated by the donor to be retained permanently and (b) absent such stipulation, the fair value on the date of gift for gifts donated to the permanent endowment. The remaining portion of the donor restricted endowment fund that is not classified in permanently restricted net assets represents net unappropriated endowment investment income and is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by UWLC, in a manner consistent with the standard of prudence prescribed by OR-UPMIFA. If, as a result of investment losses or appropriations (Board authorized distributions), the fair value of endowment assets is less than the donor restricted amounts, the deficiencies are reported as reductions of UWLC-controlled unrestricted net assets.

When considering appropriation for distribution or accumulation of endowment funds, absent a specifically stated requirement in the gift instrument, UWLC makes a good faith application of the approved UWLC spending policy, considering (a) the duration and preservation of the fund; (b) the purposes of UWLC and the endowment fund; (c) general economic conditions; (d) the possible effect of inflation and deflation; (e) the expected total return from income and the appreciation of investments; (f) other resources of UWLC; and (g) the investment policies of UWLC. The good faith application of the approved UWLC spending policy may result in the fair value of endowment assets being below the level determined as permanently restricted net assets for financial statement presentation purposes.

UNITED WAY OF LANE COUNTY
Notes to the Financial Statements
For the Years Ended June 30, 2014 and 2013

**Note 1 - Description of Operations and Summary of Significant Accounting Policies
(Continued)**

Advertising, marketing and public relations expense – UWLC expenses advertising, marketing and public relations costs as incurred. Such expenses totaled \$88,579 and \$70,650 for the years ended June 30, 2014 and 2013, respectively.

Income taxes – Under the provisions of the Internal Revenue Code Section 501(c)(3) and applicable state law, UWLC has been granted exemption from state and federal income taxes.

Expense allocation – The expenses of UWLC are categorized as either program services or supporting services. Program services include direct and indirect costs related to providing the services and community building activities for which purpose UWLC exists. Supporting services include administration and fundraising activities. Expenses are allocated according to actual time incurred by UWLC employees related to these areas.

In-kind donations of materials and services – Donated materials and services totaling \$74,380 and \$81,187 for the years ended June 30, 2014 and 2013, respectively, are reflected as “in-kind support” at their estimated fair values at the date of receipt. Donated materials are comprised of equipment, supplies, and food. Donated services are comprised of professional services as well as television, radio and newspaper advertising and any other services that enhance or create non-financial assets or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Many individuals volunteer their time and perform a variety of tasks that assist UWLC in many areas, including program services, fund raising events and office support, but don’t meet these criteria and are, therefore, not recorded in the financial statements.

Note 2 – Pledges Receivable, Net

	June 30,	
	2014	2013
Pledges receivable	\$ 1,194,115	\$ 1,297,053
Less allowance for uncollectible pledges	(150,776)	(148,377)
Net pledges receivable	<u>\$ 1,043,339</u>	<u>\$ 1,148,676</u>

UNITED WAY OF LANE COUNTY
Notes to the Financial Statements
For the Years Ended June 30, 2014 and 2013

Note 3 – Grants and Other Receivables

	June 30,	
	2014	2013
Grants receivable	\$ 23,280	\$ 117,401
Other receivables	39,529	6,118
	\$ 62,809	\$ 123,519

Note 4 – Property, Plant and Equipment

	June 30,	
	2014	2013
Land	\$ 296,000	\$ 296,000
Building	419,000	419,000
Equipment	281,829	243,579
	996,829	958,579
Less accumulated depreciation	374,581	352,800
Property, plant & equipment, net	\$ 622,248	\$ 605,779

Note 5 – Investments and Fair Value Measurements

UWLC has adopted authoritative accounting guidance on fair value measurements. The guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants at the measurement date. UWLC classifies its investments based upon an established fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Quoted prices in active markets for identical assets and liabilities.

Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

UNITED WAY OF LANE COUNTY
Notes to the Financial Statements
For the Years Ended June 30, 2014 and 2013

Note 5 – Investments and Fair Value Measurements (continued)

UWLC has segregated all financial assets and liabilities that are measured at fair value on a recurring basis (at least annually) into the most appropriate level within the fair value hierarchy based on inputs used to determine the fair value at the measurement date. The following table discloses the level by fair value hierarchy as of June 30, 2014 and 2013:

Description	Investment assets at fair value as of June 30, 2014			
	Level 1	Level 2	Level 3	Total
Beneficial interest in assets of the Oregon Community Foundation	\$ -	\$ 539,281	\$ -	\$ 539,281

Description	Investment assets at fair value as of June 30, 2013			
	Level 1	Level 2	Level 3	Total
Beneficial interest in assets of the Oregon Community Foundation	\$ -	\$ 465,741	\$ -	\$ 465,741

Note 6 – Temporarily Restricted Net Assets

Temporarily restricted net assets consist of:

	June 30,	
	2014	2013
Education	\$ 195,494	\$ 138,612
Income	4,499	8,943
Health	79,233	94,624
Other	2,471	15,199
Temporarily restricted net assets	\$ 281,697	\$ 257,378

Note 7 – Endowment

UWLC's endowment consists of donor restricted endowment funds. The Board is authorized to determine distributions to be made from endowment funds earnings and has established the long-term policy of maintaining the real (after inflation) purchasing power of endowment gifts.

Authorized distributions (appropriations) are retained as temporarily restricted net assets until disbursement is authorized by UWLC officials consistent with the terms of the gift. Such amounts are then transferred from temporarily restricted net assets to unrestricted net assets and the disbursement is reported as a decrease in unrestricted net assets.

UNITED WAY OF LANE COUNTY
Notes to the Financial Statements
For the Years Ended June 30, 2014 and 2013

Note 7 – Endowment (continued)

For the years ended June 30, 2014 and 2013, the following table summarizes activity in endowment funds:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets - June 30, 2012	\$ 877	\$ 63,322	\$ 64,199
Contributions	-	-	-
Interest and dividends	696	-	696
Investment gain net	6,184	-	6,184
Expenses	(569)	-	(569)
Endowment net assets - June 30, 2013	\$ 7,188	\$ 63,322	\$ 70,510
Contributions	-	-	-
Interest and dividends	856	-	856
Investment gain net	10,650	-	10,650
Expenses	(372)	-	(372)
Endowment net assets - June 30, 2014	<u>\$ 18,322</u>	<u>\$ 63,322</u>	<u>\$ 81,644</u>

Note 8 – Retirement Plan

Substantially all full-time employees are covered by a SEP (Simplified Employee Pension), a defined contribution retirement plan. Employer contributions are discretionary and established annually by the board of directors. Employer contributions totaled \$41,559 and \$35,769 for the years ended June 30, 2014 and 2013, respectively, and represented 5% of eligible wages.

Note 9 – Line of Credit

UWLC has a revolving line of credit agreement with Pacific Continental Bank expiring June 30, 2015. The agreement permits borrowing up to \$100,000 at a variable interest rate of prime plus 3.25 percent per annum with a floor of 6.0 percent. The credit line is secured by substantially all assets of UWLC. As of June 30, 2014, UWLC had not drawn funds on this line of credit.

Note 10 – Commitments and Contingencies

Grantor agencies - Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. UWLC expects such amounts, if any, to be insignificant.

UNITED WAY OF LANE COUNTY
Notes to the Financial Statements
For the Years Ended June 30, 2014 and 2013

Note 10 – Commitments and Contingencies (continued)

Deferred benefits – UWLC provides post-employment health insurance benefits to a key employee who retired during the year ended June 30, 2012. Estimated annual payments of approximately \$6,000 will be paid for health insurance premiums continuing through March 2018. A liability of \$20,184 and \$27,854 is recorded in accrued liabilities at June 30, 2014 and 2013, respectively.

Unemployment reserve - UWLC is self-insured with respect to unemployment compensation and maintains a trust account with a third-party administrator. The reserve account balance is included as a prepaid asset. Actual and anticipated claims are evaluated by management and an associated liability, when appropriate, is recorded. The total reserve account asset totaled \$33,904 and \$17,825 at June 30, 2014 and 2013, respectively, and estimated claims outstanding, included in accrued liabilities, totaled \$2,203 and \$2,203 at June 30, 2014 and 2013, respectively.

Operating leases – UWLC has several non-cancelable operating leases, primarily for various forms of equipment, that expire through January 2016. Those leases generally contain renewal options for periods ranging from three to ten years and require UWLC to pay executory costs such as maintenance and insurance. Rental expense for those leases totaled \$14,575 and \$26,550 for the years ended June 30, 2014 and 2013, respectively.

Future minimum lease payments under operating leases that have remaining terms in excess of one year as of June 30, 2014 are:

Year ending June 30,	
2015	\$ 11,286
2016	6,534
2017	1,782
2018	1,336
	<u>\$ 20,938</u>

Note 11 – Accounting for Uncertain Tax Positions

UWLC accounts for uncertain tax position in accordance with FASB Accounting Standards Codification (ASC) 740-10, Income Taxes.

UWLC is not aware of any activities which would terminate its tax exempt status. UWLC recognizes interest and penalties related to income tax matters in operating expenses. Management has concluded that there were no uncertain tax positions as of June 30, 2014. Tax year returns for 2011, 2012 and 2013 are open to examination by federal and state tax authorities.

UNITED WAY OF LANE COUNTY
Notes to the Financial Statements
For the Years Ended June 30, 2014 and 2013

Note 12 – Subsequent Events

UWLC has evaluated subsequent events through September 29, 2014, the date of the auditor's report, which date represents the date the financial statements were available to be issued. There were no subsequent events requiring disclosure in these financial statements.