

**UNITED WAY OF HARRISONBURG AND
ROCKINGHAM COUNTY, INC.**

FINANCIAL REPORT

April 30, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Way of Harrisonburg and Rockingham County, Inc.
Harrisonburg, Virginia

We have audited the accompanying financial statements of the United Way of Harrisonburg and Rockingham County, Inc. (a nonprofit organization), which comprise the statements of financial position as of April 30, 2014 and 2013, and the related statements of activities, functional expenses 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.

Opinion

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

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia
August 14, 2014

UNITED WAY OF HARRISONBURG AND ROCKINGHAM COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION

April 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 553,729	\$ 2,000	\$ 555,729
Pledges receivable, net (Note 2)	454,789	-	454,789
Other receivables	1,564	-	1,564
Prepaid expenses	2,301	-	2,301
Investments (Notes 3 and 4)	1,270,657	1,141	1,271,798
Equipment, net (Note 5)	4,262	-	4,262
	<u>\$ 2,287,302</u>	<u>\$ 3,141</u>	<u>\$ 2,290,443</u>
LIABILITIES AND NET ASSETS			
LIABILITIES			
Allocations payable	\$ 681,504	\$ -	\$ 681,504
Accounts payable and accrued expenses	3,652	-	3,652
Custodial liabilities			
Partner and non-partner agencies	119,498	-	119,498
Pass through grants	30,886	-	30,886
	<u>835,540</u>	<u>-</u>	<u>835,540</u>
NET ASSETS			
Unrestricted			
Board designated			
United Way Community Care Fund	339,570	-	339,570
Campaign reserve	309,509	-	309,509
Undesignated	802,683	-	802,683
Temporarily restricted (Note 6)	-	3,141	3,141
	<u>1,451,762</u>	<u>3,141</u>	<u>1,454,903</u>
Total net assets	<u>\$ 2,287,302</u>	<u>\$ 3,141</u>	<u>\$ 2,290,443</u>
Total liabilities and net assets	<u>\$ 2,287,302</u>	<u>\$ 3,141</u>	<u>\$ 2,290,443</u>

The accompanying notes are
an integral part of these statements.

UNITED WAY OF HARRISONBURG AND ROCKINGHAM COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION

April 30, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 612,036	\$ 4,300	\$ 616,336
Pledges receivable, net (Note 2)	455,188	-	455,188
Other receivables	3,488	-	3,488
Prepaid expenses	2,301	-	2,301
Investments (Notes 3 and 4)	1,172,239	997	1,173,236
Equipment, net (Note 5)	4,682	-	4,682
	<u>\$ 2,249,934</u>	<u>\$ 5,297</u>	<u>\$ 2,255,231</u>
LIABILITIES AND NET ASSETS			
LIABILITIES			
Allocations payable	\$ 704,923	\$ -	\$ 704,923
Accounts payable and accrued expenses	9,446	-	9,446
Custodial liabilities			
Partner and non-partner agencies	130,744	-	130,744
Pass through grants	21,859	-	21,859
	<u>866,972</u>	<u>-</u>	<u>866,972</u>
NET ASSETS			
Unrestricted			
Board designated			
United Way Community Care Fund	339,570	-	339,570
Campaign reserve	309,509	-	309,509
Undesignated	733,883	-	733,883
Temporarily restricted (Note 6)	-	5,297	5,297
	<u>1,382,962</u>	<u>5,297</u>	<u>1,388,259</u>
Total net assets	<u>1,382,962</u>	<u>5,297</u>	<u>1,388,259</u>
Total liabilities and net assets	<u>\$ 2,249,934</u>	<u>\$ 5,297</u>	<u>\$ 2,255,231</u>

The accompanying notes are
an integral part of these statements.

UNITED WAY OF HARRISONBURG AND ROCKINGHAM COUNTY, INC.

STATEMENTS OF ACTIVITIES
Year Ended April 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and Other Support			
Campaign applicable to current period			
Contributions received for current			
period in current period	\$ 1,143,913	\$ -	\$ 1,143,913
Donor designations	(112,045)	-	(112,045)
Allowance for uncollectible pledges,			
net of recoveries	(32,835)	-	(32,835)
Contributions received in prior periods and			
released from restrictions	4,300	(4,300)	-
Total for current period	<u>1,003,333</u>	<u>(4,300)</u>	<u>999,033</u>
Campaign applicable to future allocations periods			
Contributions received	-	2,000	2,000
Total for future periods	<u>-</u>	<u>2,000</u>	<u>2,000</u>
Other revenue and support			
Gifts in kind	110,283	-	110,283
Investment income (Note 3)	107,044	144	107,188
Other	7,573	-	7,573
Total other revenue and support	<u>224,900</u>	<u>144</u>	<u>225,044</u>
Total revenue and other support	<u>1,228,233</u>	<u>(2,156)</u>	<u>1,226,077</u>
Expenses			
Community services (including grants and			
allocations of \$719,499)	917,764	-	917,764
Support services			
Administrative expenses	125,902	-	125,902
Campaign fund raising	104,542	-	104,542
United Way Worldwide dues	11,225	-	11,225
Total expenses	<u>1,159,433</u>	<u>-</u>	<u>1,159,433</u>
Change in net assets	68,800	(2,156)	66,644
Net assets, beginning	<u>1,382,962</u>	<u>5,297</u>	<u>1,388,259</u>
Net assets, ending	<u>\$ 1,451,762</u>	<u>\$ 3,141</u>	<u>\$ 1,454,903</u>

The accompanying notes are
an integral part of these statements.

UNITED WAY OF HARRISONBURG AND ROCKINGHAM COUNTY, INC.

STATEMENTS OF ACTIVITIES
Year Ended April 30, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and Other Support			
Campaign applicable to current period			
Contributions received for current period in current period	\$ 1,158,765	\$ -	\$ 1,158,765
Donor designations	(124,710)	-	(124,710)
Allowance for uncollectible pledges, net of recoveries	(22,215)	-	(22,215)
Contributions received in prior periods and released from restrictions	12,000	(12,000)	-
Total for current period	<u>1,023,840</u>	<u>(12,000)</u>	<u>1,011,840</u>
Campaign applicable to future allocations periods			
Contributions received	-	4,300	4,300
Total for future periods	<u>-</u>	<u>4,300</u>	<u>4,300</u>
Other revenue and support			
Gifts in kind	132,552	-	132,552
Investment income (Note 3)	89,495	53	89,548
Other	11,271	-	11,271
Total other revenue and support	<u>233,318</u>	<u>53</u>	<u>233,371</u>
Total revenue and other support	<u>1,257,158</u>	<u>(7,647)</u>	<u>1,249,511</u>
Expenses			
Community services (including grants and allocations of \$704,923)	909,011	-	909,011
Support services			
Administrative expenses	117,416	-	117,416
Campaign fund raising	90,450	-	90,450
United Way Worldwide dues	11,052	-	11,052
Total expenses	<u>1,127,929</u>	<u>-</u>	<u>1,127,929</u>
Change in net assets	129,229	(7,647)	121,582
Net assets, beginning	<u>1,253,733</u>	<u>12,944</u>	<u>1,266,677</u>
Net assets, ending	<u>\$ 1,382,962</u>	<u>\$ 5,297</u>	<u>\$ 1,388,259</u>

The accompanying notes are
an integral part of these statements.

UNITED WAY OF HARRISONBURG AND ROCKINGHAM COUNTY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended April 30, 2014

	Program Services		Support Services			Total Expenses
	Community Services	Administrative	Campaign Fund Raising	United Way Worldwide Dues		
Salaries	\$ 78,165	\$ 55,712	\$ 49,346	\$ -	\$ 183,223	
Payroll taxes	5,980	4,262	3,775	-	14,017	
Benefits	3,418	2,436	2,158	-	8,012	
Community relations	4,389	-	-	-	4,389	
Professional fees	5,964	31,297	752	-	38,013	
Office supplies	430	1,796	271	-	2,497	
Computer services	1,007	718	636	-	2,361	
Telephone	1,125	802	711	-	2,638	
Postage	-	1,680	1,701	-	3,381	
Rent and utilities	4,598	3,277	2,902	-	10,777	
Cleaning services	343	245	217	-	805	
Insurance	1,931	1,376	1,219	-	4,526	
Repairs and maintenance	1,752	1,249	1,106	-	4,107	
Technical support	555	395	350	-	1,300	
Grants and allocations	719,499	-	-	-	719,499	
Gifts in kind - community service	81,648	-	-	-	81,648	
Printing	-	1,091	3,337	-	4,428	
Travel	-	619	562	-	1,181	
Conferences	-	2,030	34	-	2,064	
Marketing	3,789	790	15,434	-	20,013	
Gifts in kind - marketing	-	9,000	19,635	-	28,635	
Public relations	-	1,341	-	-	1,341	
Dues and membership	-	1,453	-	11,225	12,678	
Depreciation	627	447	396	-	1,470	
Special Projects	2,329	-	-	-	2,329	
Miscellaneous	215	3,886	-	-	4,101	
Total expenses	\$ 917,764	\$ 125,902	\$ 104,542	\$ 11,225	\$ 1,159,433	

The accompanying notes are an integral part of these statements.

UNITED WAY OF HARRISONBURG AND ROCKINGHAM COUNTY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended April 30, 2013

	Program Services	Support Services			Total Expenses
	Community Services	Administrative	Campaign Fund Raising	United Way Worldwide Dues	
Salaries	\$ 67,664	\$ 56,517	\$ 25,500	\$ -	\$ 149,681
Payroll taxes	5,176	4,324	1,951	-	11,451
Benefits	7,069	5,904	2,664	-	15,637
Community relations	2,601	251	-	-	2,852
Professional fees	2,518	30,357	803	-	33,678
Office supplies	153	1,968	58	-	2,179
Computer services	924	772	348	-	2,044
Telephone	1,365	1,140	514	-	3,019
Postage	-	1,008	1,400	-	2,408
Rent and utilities	4,454	3,720	1,679	-	9,853
Cleaning services	364	304	137	-	805
Insurance	2,044	1,707	770	-	4,521
Repairs and maintenance	1,462	1,221	551	-	3,234
Technical support	588	491	221	-	1,300
Grants and allocations	704,923	-	-	-	704,923
Gifts in kind - community service	97,613	-	-	-	97,613
Printing	-	272	1,682	-	1,954
Travel	43	620	863	-	1,526
Conferences	-	350	605	-	955
Marketing	3,238.0	1,098	16,247	-	20,583
Gifts in kind - marketing	-	835	34,104	-	34,939
Public relations	157	1,614	32	-	1,803
Dues and membership	-	1,656	-	11,052	12,708
Depreciation	851	711	321	-	1,883
Special projects	3,825	-	-	-	3,825
Miscellaneous	1,979	576	-	-	2,555
Total expenses	\$ 909,011	\$ 117,416	\$ 90,450	\$ 11,052	\$ 1,127,929

The accompanying notes are
an integral part of these statements.

UNITED WAY OF HARRISONBURG AND ROCKINGHAM COUNTY, INC.

STATEMENTS OF CASH FLOWS
Years Ending April 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 66,644	\$ 121,582
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	1,470	1,883
Unrealized and realized gain on investments	(91,482)	(70,587)
Change in assets and liabilities:		
Decrease (increase) in:		
Pledges receivable	399	(40,968)
Other receivables	1,924	(3,488)
Prepaid expenses	-	12
Increase (decrease) in:		
Accounts payable and accrued expenses	(5,794)	701
Allocations payable	(23,419)	52,266
	<u>(50,258)</u>	<u>61,401</u>
Net cash and cash equivalents provided by (used in) operating activities		
	<u>(50,258)</u>	<u>61,401</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investments	20,658	16,482
Purchase of investments	(27,738)	(35,201)
Purchase of property and equipment	(1,050)	(1,298)
	<u>(8,130)</u>	<u>(20,017)</u>
Net cash and cash equivalents used in investing activities		
	<u>(8,130)</u>	<u>(20,017)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in custodial liabilities	(2,219)	(13,609)
	<u>(2,219)</u>	<u>(13,609)</u>
Net cash and cash equivalents used in financing activities		
	<u>(2,219)</u>	<u>(13,609)</u>
Increase (decrease) in cash and cash equivalents	(60,607)	27,775
CASH AND CASH EQUIVALENTS		
Beginning	<u>616,336</u>	<u>588,561</u>
Ending	<u>\$ 555,729</u>	<u>\$ 616,336</u>

The accompanying notes are an integral part of these statements.

UNITED WAY OF HARRISONBURG AND ROCKINGHAM COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

April 30, 2014

Note 1. Nature of Organization and Significant Accounting Policies

Nature of organization:

The United Way of Harrisonburg and Rockingham County, Inc. (United Way or Organization) is a non-profit community building organization, which conducts annual campaigns to raise support for the community and its partner agencies. Substantially all funds are raised from local sources in the Harrisonburg and Rockingham County, Virginia areas.

A summary of significant accounting policies follows:

Basis of financial statement presentations:

The financial statements of the United Way have been prepared in accordance with accounting principles generally accepted in the United States of America. The accompanying financial statements present information regarding the United Way's financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. The three classes are differentiated based on the existence or absence of donor-imposed restrictions, as described below:

Unrestricted net assets are free of donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors or may otherwise be limited by contractual agreements with outside parties. Revenues, gains, and losses that are not temporarily or permanently restricted by donors are included in this classification. Expenses are reported as decreases in this classification.

Temporarily restricted net assets are limited in use by donor-imposed stipulations that expire either by the passage of time or that can be fulfilled by action of the United Way pursuant to those stipulations.

Permanently restricted net assets are amounts required by donors to be held in perpetuity; however, generally, the income on these assets is available to meet various restricted and other operating needs. The United Way has no permanently restricted net assets.

Revenue recognition:

Contributions, including pledges, are considered to be unrestricted unless specifically indicated as temporarily or permanently restricted by the donor. When a donor-stipulated time restriction ends or a purpose restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restriction. Contributions with restrictions that become satisfied within the same fiscal period are reported as unrestricted contributions in the statement of activities.

UNITED WAY OF HARRISONBURG AND ROCKINGHAM COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

April 30, 2014

Note 1. Nature of Organization and Significant Accounting Policies (continued)

Revenue recognition (continued):

An allowance for uncollectible pledges is established for each campaign and reduces pledges receivable in the statement of financial position and is deducted from contributions in the statement of activities. Historically, the allowance is computed based on a three year historical collection rate applied to the total campaign. Pledges outstanding one year after the close of the campaign are deemed uncollectible and the provision for uncollectible pledges is adjusted for the uncollected amounts.

Pass-thru grants:

The United Way acts as fiscal agent and expends funds on grants from the Virginia Early Childhood Foundation. These funds provide reimbursement of allowable expenses, as determined by the grant, to specific agencies. Therefore, these funds are reported as increases or decreases in assets and liabilities as they are passed through to other agencies and are not reported as support or expenditures in the statement of activities of the United Way.

Gifts in kind and donated services:

Non-cash donations of equipment, materials, supplies, services or other items that benefit the operations of the United Way are included as unrestricted support in the period in which the benefit applies. Contribution of securities is recognized at the fair value of the securities on the date contributed, with gains or losses on the sale of such securities included in investment income. Gift in kind donations are reported at estimated fair value when received.

The United Way received approximately 10,000 hours of donated services from individual volunteers who participate in the United Way's programs and supporting services and has estimated the value of these services to be approximately \$220,000. However, the value of these donated services is not reflected in these financial statements because they do not meet the recognition requirements of the Not-for-Profit Entities Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification.

UNITED WAY OF HARRISONBURG AND ROCKINGHAM COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

April 30, 2014

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Cash and cash equivalents:

The United Way considers all liquid investments with maturities of three months or less, excluding board appropriated funds reported as investments, to be cash equivalents. Accounts in the bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for interest bearing and non-interest bearing accounts.

Equipment:

Equipment is stated at cost less accumulated depreciation and amortization, which are provided by the straight-line method over the following estimated useful lives:

Computer and equipment	3 – 7 years
Computer software	3 – 5 years

Investments:

Investments held by the United Way are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements.

Custodial liabilities:

At times, the United Way acts as an agent for administering, collecting, and distributing of funds for organizations. Amounts received are not activity of the United Way and therefore are recorded as assets with an appropriate offsetting liability. Campaign contributions designated for specific partner and non-partner agencies are also accounted for as agency funds and included in custodial liabilities.

Income taxes:

The Internal Revenue Service has determined that the United Way is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code; therefore, no provision has been made for income tax expense. Donors may deduct contributions as provided in Section 170 of the Internal Revenue Code.

The United Way's annual returns for the tax years ended April 30, 2011 through 2014 remain open to potential examination by taxing authorities.

UNITED WAY OF HARRISONBURG AND ROCKINGHAM COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

April 30, 2014

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Functional allocation of expenses:

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

Estimates and assumptions:

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 and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period in those statements. Actual results may differ from those estimates.

Subsequent events:

Subsequent events have been evaluated through August 14, 2014, which was the date the financial statements were available to be issued.

Reclassifications:

Certain prior year amounts were reclassified to conform with current year presentation. These reclassifications had no impact on net assets.

Note 2. Pledges Receivable

Pledges receivable are expected to be received within one year and consist of the following:

	2014	2013
Prior year campaign	\$ 53,848	\$ 45,540
Current year campaign	511,426	525,269
Total pledges	565,274	570,809
Less allowance for uncollectible pledges - prior year campaign	(53,848)	(45,540)
Less allowance for uncollectible pledges - current year campaign	(56,637)	(70,081)
	\$ 454,789	\$ 455,188

(Continued)

UNITED WAY OF HARRISONBURG AND ROCKINGHAM COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

April 30, 2014

Note 3. Investments

Investments consist of the following:

	<u>2014</u>	<u>2013</u>
Common stock	\$ 1,141	\$ 997
Community Foundation Investment Pool (Undivided interest in mutual funds)	<u>1,270,657</u>	<u>1,172,239</u>
Total investments	<u>\$ 1,271,798</u>	<u>\$ 1,173,236</u>

Investments income consists of the following:

	<u>2014</u>	<u>2013</u>
Interest	\$ 28,564	\$ 32,619
Realized and unrealized gains	91,482	70,587
Investment Fees	<u>(12,858)</u>	<u>(13,658)</u>
Total investment income	<u>\$ 107,188</u>	<u>\$ 89,548</u>

Note 4. Fair Value Measurements

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs consist of unobservable inputs and have the lowest priority. The United Way uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the United Way measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs were used only when Level 1 or Level 2 inputs were not available.

Community Foundation Investment Pool:

The United Way holds an undivided interest in a diversified pool of mutual funds sponsored by The Community Foundation of Harrisonburg and Rockingham County (the Foundation). The securities are held in an account in the name of the Foundation. The value of the United Way's interest in the pool is determined from observable Level 1 inputs and, accordingly, is classified as Level 2 in the fair value hierarchy.

Common Stock:

Common stock for which a quoted market price is available on an active market is classified as Level 1 in the fair value hierarchy.

UNITED WAY OF HARRISONBURG AND ROCKINGHAM COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

April 30, 2014

Note 4. Fair Value Measurements (Continued)

The table below presents the balances of investments measured at fair value on a recurring basis by level within the hierarchy.

	April 30, 2014		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
The Community Foundation			
Investment Pool:			
Cash pool	\$ -	\$ 62,795	\$ 62,795
Fixed income	-	320,067	320,067
International growth	-	344,114	344,114
Large capital growth	-	264,298	264,298
Large capital value	-	210,131	210,131
Small/mid capital growth	-	59,470	59,470
Small/mid capital value	-	9,782	9,782
Common stock	<u>1,141</u>	<u>-</u>	<u>1,141</u>
	<u>\$ 1,141</u>	<u>\$ 1,270,657</u>	<u>\$ 1,271,798</u>
	April 30, 2013		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
The Community Foundation			
Investment Pool:			
Cash pool	\$ -	\$ 57,977	\$ 57,977
Fixed income	-	376,405	376,405
International growth	-	316,580	316,580
Large capital growth	-	179,305	179,305
Large capital value	-	163,899	163,899
Small/mid capital growth	-	67,730	67,730
Small/mid capital value	-	10,343	10,343
Common stock	<u>997</u>	<u>-</u>	<u>997</u>
	<u>\$ 997</u>	<u>\$ 1,172,239</u>	<u>\$ 1,173,236</u>

(Continued)

UNITED WAY OF HARRISONBURG AND ROCKINGHAM COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS
April 30, 2014

Note 5. Equipment

Equipment consists of the following:

	<u>2014</u>	<u>2013</u>
Computer equipment and software	\$ 33,773	\$ 32,723
Office equipment, furniture and fixtures	<u>19,559</u>	<u>19,560</u>
	53,332	52,283
Less accumulated depreciation and amortization	<u>(49,070)</u>	<u>(47,601)</u>
Equipment, net	<u>\$ 4,262</u>	<u>\$ 4,682</u>

Depreciation expense for the period ended April 30, 2014 and 2013 was \$1,470 and \$1,883, respectively.

Note 6. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

	<u>2014</u>	<u>2013</u>
Time restrictions – undesignated net campaign pledges for future periods	\$ 2,000	\$ 4,300
Time restriction – term endowment	<u>1,141</u>	<u>997</u>
	<u>\$ 3,141</u>	<u>\$ 5,297</u>

Note 7. Smart Beginnings Grant

During the year ended April 30, 2011, the United Way was awarded the Smart Beginnings Getting Ready I Grant by the Virginia Early Childhood Foundation. The original grant period was from July 1, 2010 to June 30, 2012. The United Way received an extension for the grant through June 30, 2014. The grant totaled \$175,000, of which approximately \$155,000 had been expended as of April 30, 2014.

As stated in Note 1, because these grant funds are generally passed through to other organizations, they are treated as agency funds and, as such, are not included in the revenues or expenditures of the United Way.

Note 8. Leases

On October 22, 2010, the United Way entered into a lease with James Madison University to rent its office space for \$500 monthly. The lease agreement automatically renews annually. Rent expense was \$6,000 for the years ended April 30, 2014 and 2013.