

United Way of Greater Duluth, Inc.

Financial Report

June 30, 2013

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Independent Auditor's Report

To the Board of Directors
United Way of Greater Duluth, Inc.
Duluth, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of United Way of Greater Duluth, Inc., which comprise the statements of financial position as of June 30, 2013, and 2012, 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 United Way of Greater Duluth, Inc. as of June 30, 2013 and 2012, 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.

McGladrey LLP

Duluth, Minnesota
October 7, 2013

United Way of Greater Duluth, Inc.

Statements of Financial Position
June 30, 2013 and 2012

	2013	2012
Assets		
Cash and Cash Equivalents		
Unrestricted	\$ 807,767	\$ 776,036
Restricted (Note 2)	14,455	14,871
Contributions Receivable, less allowance for uncollectibles of \$50,850 in 2013 and \$50,799 in 2012	696,531	839,289
Other Receivables	26,294	29,325
Prepaid Expenses	17,557	15,741
Property and Equipment, net (Note 3)	26,564	28,114
Beneficial Interest in Perpetual Trust (Note 4)	3,307,451	3,019,964
Beneficial Interest in Assets Held by Others (Note 5)	697,092	680,105
Total assets	\$ 5,593,711	\$ 5,403,445
Liabilities and Net Assets		
Liabilities		
Allocations and designations payable (Note 6)	\$ 1,089,327	\$ 1,107,078
Deposits held for others (Note 2)	14,455	14,871
Accounts payable	27,179	12,527
Accrued expenses	49,148	48,293
Total liabilities	1,180,109	1,182,769
Net Assets		
Unrestricted:		
Board designated (Note 11)	422,882	384,037
Property and equipment	26,564	28,114
United Way Endowment Fund (Note 5)	577,092	680,105
Total unrestricted net assets	1,026,538	1,092,256
Temporarily restricted (Note 7)	79,613	108,456
Permanently restricted (Note 7)	3,307,451	3,019,964
Total net assets	4,413,602	4,220,676
Total liabilities and net assets	\$ 5,593,711	\$ 5,403,445

See Notes to Financial Statements.

United Way of Greater Duluth, Inc.

Statements of Activities

Years Ended June 30, 2013 and 2012

	2013			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Public Support and Revenue				
Gross campaign results	\$ 1,956,348	\$ 36,921	\$ -	\$ 1,993,269
Gross campaign results in prior year, released from restrictions	34,525	(34,525)	-	-
Total campaign results	1,990,873	2,396	-	1,993,269
Less donor designations (Note 6)	(105,178)	-	-	(105,178)
Less provision for uncollectible accounts	(32,447)	-	-	(32,447)
Net campaign revenue	1,853,248	2,396	-	1,855,644
Perpetual trust contribution	150,303	-	-	150,303
Duluth-Superior Area Community Foundation contribution	20,767	-	-	20,767
Other contributions	4,875	2,631	-	7,506
Grant income	64,949	-	-	64,949
Sponsorships	15,165	-	-	15,165
Bequests and memorials	225	-	-	225
Special events	45,719	-	-	45,719
Services revenue	102,782	-	-	102,782
Temporarily restricted net assets released	33,870	(33,870)	-	-
Total public support	2,291,903	(28,843)	-	2,263,060
Investment income	448	-	-	448
Change in beneficial interest in assets held by others	42,139	-	-	42,139
Change in beneficial interest in perpetual trust	-	-	287,487	287,487
Donated services	26,252	-	-	26,252
Miscellaneous	23,446	-	-	23,446
Total revenue	2,384,188	(28,843)	287,487	2,642,832
Allocations and Expenses				
Allocations and program services:				
Gross allocations to agencies for programs	1,467,862	-	-	1,467,862
Less donor designations (Note 6)	(105,178)	-	-	(105,178)
Net allocations awarded (Note 8)	1,362,684	-	-	1,362,684
Initiatives distributions (Note 8)	111,133	-	-	111,133
Other program services	472,145	-	-	472,145
Total program expenses	1,945,962	-	-	1,945,962
Supporting services:				
Management and general	154,848	-	-	154,848
Fundraising	349,096	-	-	349,096
Total allocations and expenses	2,449,906	-	-	2,449,906
Increase (decrease) in net assets	(65,718)	(28,843)	287,487	192,926
Net Assets				
Beginning of year	1,092,256	108,456	3,019,964	4,220,676
End of year	\$ 1,026,538	\$ 79,613	\$ 3,307,451	\$ 4,413,602

See Notes to Financial Statements.

2012

Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 2,062,703	\$ 34,527	\$ -	\$ 2,097,230
25,387	(25,387)	-	-
2,088,090	9,140	-	2,097,230
(111,493)	-	-	(111,493)
(55,683)	-	-	(55,683)
1,920,914	9,140	-	1,930,054
149,338	-	-	149,338
19,752	-	-	19,752
12,043	-	-	12,043
130,175	14,973	-	145,148
16,532	-	-	16,532
14,050	-	-	14,050
58,056	-	-	58,056
91,192	-	-	91,192
47,250	(47,250)	-	-
2,459,302	(23,137)	-	2,436,165
2,932	-	-	2,932
(20,365)	-	-	(20,365)
-	-	(54,744)	(54,744)
20,670	-	-	20,670
14,168	2,779	-	16,947
2,476,707	(20,358)	(54,744)	2,401,605
1,474,563	-	-	1,474,563
(111,493)	-	-	(111,493)
1,363,070	-	-	1,363,070
123,781	-	-	123,781
480,129	-	-	480,129
1,966,980	-	-	1,966,980
157,071	-	-	157,071
376,373	-	-	376,373
2,500,424	-	-	2,500,424
(23,717)	(20,358)	(54,744)	(98,819)
1,115,973	128,814	3,074,708	4,319,495
\$ 1,092,256	\$ 108,456	\$ 3,019,964	\$ 4,220,676

United Way of Greater Duluth, Inc.

Statements of Functional Expenses
Years Ended June 30, 2013 and 2012

	2013			
	Program Services	Management and General	Fundraising	Total
Gross Allocations to Agencies for Programs	\$ 1,467,862	\$ -	\$ -	\$ 1,467,862
Less Donor Designations	(105,178)	-	-	(105,178)
Net allocations awarded	1,362,684	-	-	1,362,684
Initiatives Distributions	111,133	-	-	111,133
Salaries	279,217	87,516	170,340	537,073
Payroll Taxes	22,330	6,991	14,077	43,398
Employee Benefits	45,593	20,030	48,360	113,983
Total salaries and related expenses	347,140	114,537	232,777	694,454
Conferences, Conventions, and Meetings	7,666	630	7,966	16,262
Insurance	1,103	229	589	1,921
Membership Dues	2,191	427	1,199	3,817
Other	311	64	4,459	4,834
Occupancy	16,918	6,426	16,525	39,869
Postage	2,217	162	3,721	6,100
Printing and Marketing	6,072	710	10,987	17,769
Professional Fees	25,496	22,005	1,537	49,038
Rental and Maintenance of Equipment	18,118	2,481	7,374	27,973
Supplies	3,100	437	5,491	9,028
Telephone and Communications	6,583	938	2,528	10,049
Special Events	2,516	-	16,364	18,880
Donated Services	3,600	-	22,652	26,252
Community Outreach	7,796	-	-	7,796
United Way Worldwide	11,813	2,452	6,308	20,573
Depreciation	9,505	3,350	8,619	21,474
Total other program services	472,145	154,848	349,096	976,089
Total allocations and expenses	\$ 1,945,962	\$ 154,848	\$ 349,096	\$ 2,449,906

See Notes to Financial Statements.

2012

Program Services	Management and General	Fundraising	Total
\$ 1,474,563	\$ -	\$ -	\$ 1,474,563
(111,493)	-	-	(111,493)
1,363,070	-	-	1,363,070
123,781	-	-	123,781
261,195	88,608	193,114	542,917
21,945	7,374	15,364	44,683
48,469	23,043	44,227	115,739
331,609	119,025	252,705	703,339
4,732	912	9,854	15,498
979	256	645	1,880
1,902	486	1,277	3,665
520	188	4,759	5,467
20,254	5,346	13,489	39,089
2,175	174	3,645	5,994
9,213	513	14,684	24,410
44,681	17,316	2,609	64,606
15,773	2,466	7,626	25,865
3,685	516	5,000	9,201
6,014	1,321	3,334	10,669
9,474	-	16,327	25,801
945	250	19,475	20,670
5,649	-	-	5,649
10,670	2,786	7,028	20,484
11,854	5,516	13,916	31,286
480,129	157,071	376,373	1,013,573
\$ 1,966,980	\$ 157,071	\$ 376,373	\$ 2,500,424

United Way of Greater Duluth, Inc.

**Statements of Cash Flows
Years Ended June 30, 2013 and 2012**

	2013	2012
Cash Flows from Operating Activities		
Increase (decrease) in net assets	\$ 192,926	\$ (98,819)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	21,474	31,286
Changes in:		
Beneficial interest in:		
Assets held by others	(16,987)	44,297
Perpetual trust	(287,487)	54,744
Assets and liabilities:		
Contributions receivable	142,758	(71,197)
Other receivables	3,031	21,335
Prepaid expenses	(1,816)	(272)
Allocations payable and designated pledges	(17,751)	6,171
Deposits held for others	(416)	6,772
Accounts payable	14,652	9,480
Accrued expenses	855	2,559
Net cash provided by operating activities	51,239	6,356
Cash Flows from Investing Activities		
Purchase of property and equipment	(19,924)	(5,652)
Net cash used in investing activities	(19,924)	(5,652)
Net increase in cash and cash equivalents	31,315	704
Cash and Cash Equivalents		
Beginning	790,907	790,203
Ending	\$ 822,222	\$ 790,907

See Notes to Financial Statements.

United Way of Greater Duluth, Inc.

Notes to Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: United Way of Greater Duluth, Inc. (the Organization) is a voluntary health and welfare nonprofit entity organized to lead a united response to the human service needs of the Greater Duluth Community.

A summary of the Organization's significant accounting policies follows:

Net assets: Unrestricted net assets are those funds presently available for use by or on behalf of the Organization, including amounts available for general and administrative expenses. These unrestricted net assets may also include board designated funds. Temporarily restricted net assets are contributions that have donor-imposed stipulations that can be fulfilled by certain actions of the Organization. These contributions are restricted by time and/or for program expenditures in future years. Permanently restricted net assets are contributions that have donor-imposed restrictions whereby the amount of the gift is to be held in perpetuity and only the income generated can be used as stipulated by the donor.

Support and expenses: Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor 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 restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Expenses are recorded as incurred in accordance with the accrual basis of accounting.

Donated services: Donated services are reflected in the statements of activities at their estimated values at date of receipt. During the years ended June 30, 2013 and 2012, the Organization recognized \$26,252 and \$20,670, respectively, of donated services relating to advertising. In addition, a substantial number of unpaid volunteers have made significant contributions of their time to the Organization's program services and fundraising campaigns. These donated services are not reflected in the financial statements since the services do not require specialized skills.

Property and equipment: Property and equipment acquisitions are recorded at cost. Depreciation is provided using the straight-line method based on estimated useful lives of individual units of 3 - 5 years.

Cash and cash equivalents: Unrestricted highly liquid investments with an initial maturity of three months or less are considered cash equivalents. The carrying value approximates fair value.

Contributions receivable: All contributions receivable are due in less than one year. Management determines the allowance for uncollectible accounts by using historical collection experience applied to pledges received by the Organization and by identifying troubled accounts. Contributions receivable are written off when deemed uncollectible. Recoveries of contributions receivable previously written off are recorded when received.

Concentration of credit risk: The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash.

United Way of Greater Duluth, Inc.

Notes to Financial Statements

Fair value measurement: The Organization reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by accounting principles generally accepted in the United States, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

Level 1: Quoted prices for identical assets or liabilities in active markets to which the Organization has access at the measurement date.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets in markets that are not active;
- observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
- inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

Level 3: Unobservable inputs for the asset or liability should be used to measure the fair value to the extent that observable inputs are not available.

The fair values of the beneficial interest in perpetual trust and the beneficial interest in assets held by others are determined using the Level 3 inputs described above.

Income taxes: The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Not-for-profit organizations may become subject to income taxes if qualification as a tax-exempt entity changes, if unrelated business income is generated, and in certain other instances. Not-for-profit organizations are required to assess the certainty of their tax positions related to these matters and, in some cases, record liabilities for potential taxes, interest and penalties accompanied by footnote disclosures. The Organization has not identified any uncertain tax positions that would require the accrual of an income tax provision.

Generally, the Organization is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for the years before 2009.

Use of estimates in the preparation of financial statements: The preparation of financial statements 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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent events: Management has evaluated subsequent events through October 7, 2013, the date the financial statements were issued, in preparing the financial statements and related footnotes.

Note 2. Restricted Cash and Deposits Held for Others

During 2013, the Organization became fiscal agent for the long-term flood recovery fund. The long-term flood recovery fund solicits contributions and makes distributions to flood victims. The fund is managed by a third party committee. The Organization reports restricted cash and deposits held for others of \$7,064 and \$6,361 at June 30, 2013 and 2012, respectively, for the long-term flood recovery fund.

United Way of Greater Duluth, Inc.

Notes to Financial Statements

The Organization is also fiscal agent for the Duluth Youth Coalition. The Organization reports restricted cash and deposits held for others of \$7,391 and \$8,510 at June 30, 2013 and 2012, respectively, for the Duluth Youth Coalition.

Note 3. Property and Equipment

	2013	2012
Office equipment	\$ 186,203	\$ 166,279
Leasehold improvements	51,539	51,539
	<u>237,742</u>	<u>217,818</u>
Less accumulated depreciation	211,178	189,704
	<u>\$ 26,564</u>	<u>\$ 28,114</u>

Note 4. Beneficial Interest in Perpetual Trust

The Organization is the sole beneficiary of the yearly income derived from the assets of United Way of Greater Duluth Trust. The beneficial interest in perpetual trust is recorded at fair value, which is estimated as the fair value of the underlying trust assets. As discussed in Note 1, because there are no observable market transactions for assets similar to the beneficial interest in the trust and because the trust cannot be redeemed, the valuation technique used by the Organization is a Level 3 measure.

	2013	2012
Beneficial interest, beginning of year	\$ 3,019,964	\$ 3,074,708
Increase in beneficial interest	437,790	94,594
Amount distributed	(150,303)	(149,338)
Beneficial interest, end of year	<u>\$ 3,307,451</u>	<u>\$ 3,019,964</u>

The change in the fair value of the beneficial interest in the trust is recognized in the statement of activities.

Note 5. Beneficial Interest in Assets Held by Others

The United Way Endowment Fund (the Fund) was established with the Duluth-Superior Area Community Foundation (the Foundation) by both the Organization and third party donors. The Organization is the sole beneficiary of the Fund.

The portion of the Fund contributed by the Organization is reported as an asset of the Organization. The Organization has granted variance power to the Foundation. This variance power allows the Foundation to move funds received by the Foundation from the Fund to other Foundation endowment funds if deemed appropriate. The net income of the Fund shall be distributed at least annually to the Organization. The balance at June 30, 2013 and 2012 is included in the balance sheet under the caption "Beneficial Interest in Assets Held by Others." This portion is recorded at fair value, which is estimated as the fair value of the underlying trust assets. As discussed in Note 1, because there are no observable market transactions for assets similar to the beneficial interest in the trust and because the trust cannot be redeemed, the valuation technique used by the Organization is a Level 3 measure.

United Way of Greater Duluth, Inc.**Notes to Financial Statements**

	2013	2012
Beneficial interest, beginning of year	\$ 680,105	\$ 724,402
Increase (decrease) in beneficial interest	42,139	(20,365)
Amount distributed	(25,152)	(23,932)
Beneficial interest, end of year	697,092	680,105
Beneficial interest designated (a)	(120,000)	-
Net assets, United Way Endowment Fund	<u>\$ 577,092</u>	<u>\$ 680,105</u>

- (a) The Organization requested a \$120,000 distribution from its beneficial interest which was approved by the Foundation prior to year-end and will be received from the Foundation subsequent to year-end.

The portion of the Fund contributed by unrelated third party donors is considered a contribution to the Foundation, as the Foundation has been granted variance power over these assets. This portion of the Fund, \$578,985 and \$566,557 at June 30, 2013 and 2012, respectively, has not been recorded as an asset on these financial statements.

Note 6. Allocations and Designations Payable

	2013	2012
Community Care allocations payable	\$ 1,035,993	\$ 1,022,326
Donor designated pledges	53,334	84,752
	<u>\$ 1,089,327</u>	<u>\$ 1,107,078</u>

The Organization receives various donor pledges that are designated for specific beneficiaries. The Organization is considered an agent for the donor designated beneficiaries and, as such, records amounts received from the donor as a liability to the designated beneficiaries. The donor designated pledges are not included in revenue of the Organization. During the years ended June 30, 2013 and 2012, the Organization raised \$105,178 and \$111,493, respectively, of donor designated pledges, of which amounts due to the designated beneficiaries are included in the above table.

Note 7. Restrictions on Net Assets

Temporarily restricted net assets as a result of program and/or time restrictions consisted of the following:

	2013	2012
2-1-1 Information and referral	\$ 13,284	\$ 35,349
Project Homeless Connect	6,632	7,576
Head Start Transportation Collaborative	5,633	10,731
Long Term Flood Relief/Flooding Homes with Hope	2,631	-
Heading Home	7,061	7,061
Contributions for the subsequent fiscal year's campaign	36,921	34,527
Prosperity Agenda	3,079	6,015
Women's Leadership Council	4,372	5,197
Sponsorship to subsequent fiscal year's campaign executives	-	2,000
	<u>\$ 79,613</u>	<u>\$ 108,456</u>

Permanently restricted net assets of \$3,307,451 and \$3,019,964 include the beneficial interest in the United Way of Greater Duluth Trust at June 30, 2013 and 2012, respectively. Investment income received from the trust is unrestricted.

United Way of Greater Duluth, Inc.

Notes to Financial Statements

Note 8. Allocations to Agencies

Allocations were as follows:

	2013			2012
	Total Allocations	Amount Paid	Amount Payable	Total Allocations
American Red Cross - Northld Chpt	\$ 17,682	\$ 4,047	\$ 13,635	\$ 18,182
Arc Northland	12,200	2,925	9,275	12,300
Boys & Girls Club of the Northland	82,300	19,825	62,475	82,800
Boy Scouts - Voyageurs Area Council	12,800	2,825	9,975	13,300
Center City Housing	25,282	5,697	19,585	25,782
Children's Dental Services	12,000	2,625	9,375	9,000
Churches United in Ministry	45,000	10,500	34,500	46,000
Community Action Duluth	71,250	16,814	54,436	60,000
Copeland / Valley Youth Centers	-	-	-	105,000
Courage Center	18,363	4,218	14,145	18,863
Damiano Center	67,200	15,925	51,275	71,982
Domestic Abuse Intervention Program	7,966	1,868	6,098	7,966
Duluth Area Family YMCA	107,150	25,664	81,486	108,150
Girl Scouts - Northern Pine Council	-	-	-	16,250
Girl Scouts of MN & WI Lakes & Pines	15,750	3,564	12,186	-
Goodwill	40,000	10,000	30,000	49,500
Grant Cmty School Collaborative	33,500	7,750	25,750	34,000
Human Development Center	71,500	17,125	54,375	75,072
Lake Sup'r Community Health Ctr	75,500	18,125	57,375	76,000
Legal Aid Service of NE MN	58,259	13,942	44,317	58,759
Life House	39,000	8,750	30,250	40,024
Little Treasures Ctr	20,768	10,134	10,634	21,268
Lutheran Social Service	62,483	14,248	48,235	63,983
North Country R.I.D.E.	7,000	1,625	5,375	7,000
One Roof Community Housing	8,000	1,875	6,125	6,000
Safe Haven Shelter	39,963	9,368	30,595	40,463
Salvation Army	107,850	25,589	82,261	109,350
2nd Harvest No. Lakes Food Bank	19,162	4,417	14,745	19,662
SOAR Career Solutions	49,500	11,750	37,750	35,000
Valley Youth Center	104,500	25,375	79,125	-
Woodland Hills	39,500	9,250	30,250	40,000
YWCA	57,186	13,048	44,138	58,186
Duluth Area Community Care allocations	1,328,614	318,868	1,009,746	1,329,842
Community Partners	7,000	1,750	5,250	4,822
Girl Scouts of MN & WI Lakes & Pines	3,000	750	2,250	1,000
Human Development Center	-	-	-	5,014
North Shore Horizons	6,445	1,195	5,250	4,446
Northshore Area Partners	4,669	922	3,747	4,671
Northshore Collaborative	5,000	1,250	3,750	4,750
Salvation Army Lake County	4,956	1,206	3,750	6,175
Socially Active Seniors	3,000	750	2,250	2,350
North Shore Community Care allocations	34,070	7,823	26,247	33,228
Total Community Care allocations	1,362,684	326,691	1,035,993	1,363,070
Head Start Transportation	5,100	5,100	-	9,680
Imagination Library	93,599	93,599	-	91,851
Community Action Duluth/Tax Sites	12,434	12,434	-	12,250
Smiles Across Minnesota	-	-	-	10,000
Total Initiatives distributions	111,133	111,133	-	123,781
Total Agency allocations	\$ 1,473,817	\$ 437,824	\$ 1,035,993	\$ 1,486,851

These amounts do not include contributions that donors have designated for a specific beneficiary.

United Way of Greater Duluth, Inc.

Notes to Financial Statements

Note 9. Retirement Plan

The Organization has a defined contribution retirement plan covering substantially all full-time employees 21 years of age or older with at least one year of service. Contributions are 5.5 percent of each covered employee's salary with less than five years of service. Contributions are 6.0 percent of each covered employee's salary with five years or more of service. Total contributions were \$23,455 and \$25,318 for the years ended June 30, 2013 and 2012, respectively.

Note 10. Operating Lease

The Organization leases office space from the Ordean Foundation based upon an agreement renewed annually. Total office space rent expense was \$39,869 and \$39,089 for the years ended June 30, 2013 and 2012, respectively.

Note 11. Board Designated Net Assets

Net assets have been designated by the Board to support strategic business practices and to ensure the long-term health of the Organization. Amounts are designated for, but are not limited to managing cash flow interruptions, minimizing the need for working capital borrowing, meeting commitments and obligations, and generating investment income. Designated net assets were \$422,882 and \$384,037 at June 30, 2013 and 2012, respectively.

Note 12. Risks and Uncertainties

The investments held in perpetual trust and by others in which the Organization has beneficial interests consist of various investment securities. Investment securities are exposed to risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the Organization's interest in such assets and the amounts reported in the statement of financial position.



Independent Auditor's Report on the Supplementary Information

To the Board of Directors
United Way of Greater Duluth, Inc.
Duluth, Minnesota

We have audited the financial statements of United Way of Greater Duluth, Inc. as of and for the years ended June 30, 2013 and 2012, and have issued our report thereon, which contains an unmodified opinion on those financial statements (See page 1). Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

McGladrey LLP

Duluth, Minnesota
October 7, 2013

United Way of Greater Duluth, Inc.

Other Program Services
Years Ended June 30, 2013 and 2012

	2013			
	Community Impact	Fund Distribution	AFL-CIO Community Services	Volunteer Center
Salaries	\$ 128,553	\$ 6,002	\$ 24,876	\$ 5,000
Payroll taxes	9,949	471	2,272	-
Employee benefits	14,780	595	6,682	392
Total salaries and related expenses	153,282	7,068	33,830	5,392
Conferences, conventions, and meetings	5,212	783	1,208	193
Insurance	1,091	12	-	-
Membership dues	1,848	23	-	245
Other	307	4	-	-
Occupancy	11,306	350	1,200	-
Postage	827	282	113	163
Printing and marketing	5,353	39	636	44
Professional fees	25,223	8	52	-
Rental and maintenance of equipment	12,002	357	-	3,000
Supplies	2,589	220	16	9
Telephone and communications	4,468	51	168	168
Special events	-	-	-	2,516
Donated services	3,600	-	-	-
Community outreach	7,777	-	3	-
United Way Worldwide	11,679	134	-	-
Depreciation	7,336	183	370	173
	\$ 253,900	\$ 9,514	\$ 37,596	\$ 11,903

2013				
2-1-1				
Information and				
Referral	Success by Six	Total	2012	
\$ 114,786	\$ -	\$ 279,217	\$ 261,195	
9,638	-	22,330	21,945	
23,144	-	45,593	48,469	
147,568	-	347,140	331,609	
258	12	7,666	4,732	
-	-	1,103	979	
75	-	2,191	1,902	
-	-	311	520	
4,062	-	16,918	20,254	
782	50	2,217	2,175	
-	-	6,072	9,213	
213	-	25,496	44,681	
2,721	38	18,118	15,773	
253	13	3,100	3,685	
1,728	-	6,583	6,014	
-	-	2,516	9,474	
-	-	3,600	945	
8	8	7,796	5,649	
-	-	11,813	10,670	
1,443	-	9,505	11,854	
\$ 159,111	\$ 121	\$ 472,145	\$ 480,129	

United Way of Greater Duluth, Inc.

Fundraising Expenses
Years Ended June 30, 2013 and 2012

	2013			2012
	Resource Development	Marketing	Total	
Salaries	\$ 132,490	\$ 37,850	\$ 170,340	\$ 193,114
Payroll taxes	10,998	3,079	14,077	15,364
Employee benefits	32,248	16,112	48,360	44,227
Total salaries and related expenses	175,736	57,041	232,777	252,705
Conferences, conventions, and meetings	7,651	315	7,966	9,854
Insurance	473	116	589	645
Membership dues	983	216	1,199	1,277
Other	4,426	33	4,459	4,759
Occupancy	13,272	3,253	16,525	13,489
Postage	3,721	-	3,721	3,645
Printing and marketing	10,627	360	10,987	14,684
Professional fees	1,466	71	1,537	2,609
Rental and maintenance of equipment	6,117	1,257	7,374	7,626
Supplies	5,275	216	5,491	5,000
Telephone and communications	2,053	475	2,528	3,334
Special events	16,364	-	16,364	16,327
Donated services	22,652	-	22,652	19,475
United Way Worldwide	5,065	1,243	6,308	7,028
Depreciation	6,921	1,698	8,619	13,916
	\$ 282,802	\$ 66,294	\$ 349,096	\$ 376,373