UNITED WAY OF SALT LAKE

FINANCIAL STATEMENTS

Year Ended June 30, 2015
With Summarized Comparative Information
for the Year Ended June 30, 2014

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of United Way of Salt Lake

We have audited the accompanying financial statements of United Way of Salt Lake (a Utah nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 Salt Lake as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the United Way of Salt Lake's 2014 financial statements, and our report dated October 21, 2014, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Mayer Hoffman McCann P.C.

Salt Lake City, Utah
October 15, 2015

UNITED WAY OF SALT LAKE

STATEMENTS OF FINANCIAL POSITION

June 30, 2015 and 2014

	2015	2014
ASSETS		
Cash and cash equivalents	$ 5,810,314	$ 3,014,214
Contributions receivable, net	13,257,850	11,126,636
Prepaid expenses	31,161	-
Property and equipment, net	261,821	298,025
Investments	9,664,671	11,917,395
Restricted cash	1,265,337	1,263,683
Other assets	1,202,140	122,976
Beneficial interests in charitable trusts	26,394	31,121
TOTAL ASSETS	$ 31,519,688	$ 27,774,050
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	$ 558,217	$ 401,118
Due to partners	1,726,061	2,004,953
Due to other United Ways	337,540	352,401
Long-term debt	2,173,500	1,110,000
Other liabilities	227,599	234,369
TOTAL LIABILITIES	5,022,917	4,102,841
NET ASSETS		
Unrestricted		
Undesignated	11,244,104	9,433,502
Board designated	918,241	903,854
Temporarily restricted	14,222,725	13,217,425
Permanently restricted	111,701	116,428
TOTAL NET ASSETS	26,496,771	23,671,209
TOTAL LIABILITIES AND NET ASSETS	$ 31,519,688	$ 27,774,050

See Notes to Financial Statements

UNITED WAY OF SALT LAKE

STATEMENT OF ACTIVITIES

Year Ended June 30, 2015 with Summarized Comparative Totals for 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals 2015	Summarized Comparative Totals 2014
SUPPORT, REVENUE, AND GAINS					
Campaign contributions for 2015 and 2014:					
Contributions made in 2015 and 2014	$ 7,105,491	$ 291,517	$ -	$ 7,397,008	$ 7,511,097
Cornerstone Partners contributions	-	1,979,462	-	1,979,462	2,039,848
Less donor designations	(2,072,082)	-	-	(2,072,082)	(2,469,212)
Campaign 2015 and 2014 results	5,033,409	2,270,979	-	7,304,388	7,081,733
Campaign 2016 contributions:					
Contributions made in 2015	-	13,108	-	13,108	-
Campaign 2016 results	-	13,108	-	13,108	-
Campaign 2015 contributions:					
Contributions made in 2014	-	-	-	-	289,181
Less donor designations	-	-	-	-	(250,000)
Campaign 2015 results	-	-	-	-	39,181
Changing the Odds contributions	1,997,801	4,510,087	-	6,507,888	401,734
2-1-1 call center contributions	643,500	-	-	643,500	453,750
Community impact initiative contributions	47,500	93,664	-	141,164	323,389
Sponsorships	212,870	423,750	-	636,620	464,275
Other contributions	2,930	-	-	2,930	21,985
In-kind contributions	720,541	-	-	720,541	762,085
Return on investments	32,495	20,896	-	53,391	748,860
Decrease in interests in charitable trusts	-	-	(4,727)	(4,727)	(5,004)
Miscellaneous income	180,102	-	-	180,102	70,364
	3,837,739	5,048,397	(4,727)	8,881,409	3,241,438
TOTAL SUPPORT, REVENUE, AND GAINS	8,871,148	7,332,484	(4,727)	16,198,905	10,362,352
NET ASSETS RELEASED FROM RESTRICTIONS	6,327,184	(6,327,184)	-	-	-
TOTAL SUPPORT, REVENUE, GAINS, AND NET ASSETS RELEASED FROM RESTRICTIONS	$ 15,198,332	$ 1,005,300	$ (4,727)	$ 16,198,905	$ 10,362,352

See Notes to Financial Statements

UNITED WAY OF SALT LAKE

STATEMENT OF ACTIVITIES – CONTINUED

Year Ended June 30, 2015 with Summarized Comparative Totals for 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals 2015	Summarized Comparative Totals 2014
EXPENSES					
Program Services					
Program expense	$ 11,599,807	$ -	$ -	$ 11,599,807	$ 11,269,929
Less donor designations	(2,072,082)	-	-	(2,072,082)	(2,469,212)
Total Program Services	9,527,725	-	-	9,527,725	8,800,717
Supporting Services	3,485,618	-	-	3,485,618	3,845,318
TOTAL EXPENSES	13,013,343	-	-	13,013,343	12,646,035
LOSS ON UNCOLLECTIBLE CONTRIBUTIONS	(360,000)	-	-	(360,000)	(340,000)
CHANGE IN NET ASSETS	1,824,989	1,005,300	(4,727)	2,825,562	(2,623,683)
NET ASSETS, BEGINNING OF YEAR	10,337,356	13,217,425	116,428	23,671,209	26,294,892
NET ASSETS, END OF YEAR	$ 12,162,345	$ 14,222,725	$ 111,701	$ 26,496,771	$ 23,671,209

See Notes to Financial Statements

UNITED WAY OF SALT LAKE

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2015 with Summarized Comparative Totals for 2014

		Supporting Services				
	Total Program Services	Management and General	Resource Development	Total Supporting Services	Totals 2015	Summarized Comparative Totals 2014
Salaries and related expenses	$ 2,717,384	$ 831,041	$ 1,268,122	$ 2,099,163	$ 4,816,547	$ 4,146,149
Advertising	89,660	-	89,660	89,660	179,320	222,716
Occupancy and parking	153,547	20,647	88,735	109,382	262,929	232,155
Events	122,609	19,083	299,704	318,787	441,396	306,240
United Way Worldwide dues	24,382	24,539	41,833	66,372	90,754	97,222
Depreciation and amortization	55,913	6,427	21,369	27,796	83,709	77,004
Postage	6,539	1,973	17,650	19,623	26,162	39,309
Research	-	399	-	399	399	83,840
Printing and visual media	53,356	1,356	44,883	46,239	99,595	166,666
IT outsourcing	42,068	4,385	16,846	21,231	63,299	68,465
Telephone	107,742	6,118	16,085	22,203	129,945	107,760
Professional services	31,628	38,507	173	38,680	70,308	79,214
Consultant fees	262,790	233	36,056	36,289	299,079	295,726
Bank fees	83	8,532	38	8,570	8,653	7,982
Trainings and conferences	94,639	20,366	36,924	57,290	151,929	123,962
Local meetings	32,668	6,488	7,469	13,957	46,625	41,509
Memberships and subscriptions	10,956	5,110	6,194	11,304	22,260	9,927
Awards and gifts	6,232	6,604	1,557	8,161	14,393	11,402
Repairs and maintenance	233	45	181	226	459	1,184
Electronic pledge fees	-	-	4,553	4,553	4,553	4,868
Miscellaneous expenses	-	21	-	21	21	835
Insurance	27,286	2,723	10,648	13,371	40,657	32,916
Software support	104,689	24,162	47,265	71,427	176,116	125,564
Local transportation	11,867	6,152	6,477	12,629	24,496	26,613
Supplies	31,782	5,188	14,464	19,652	51,434	49,473
Interest expense	55,500	-	-	-	55,500	25,820
Grants to community partners	5,132,264	-	-	-	5,132,264	5,499,429
In-kind goods and services	351,908	5,097	363,536	368,633	720,541	762,085
Totals	$ 9,527,725	$ 1,045,196	$ 2,440,422	$ 3,485,618	$ 13,013,343	$ 12,646,035

See Notes to Financial Statements

UNITED WAY OF SALT LAKE

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 2,825,562	$ (2,623,683)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Change in fair value of beneficial interests in charitable trusts	-	5,004
Depreciation and amortization	83,709	77,004
Loss on uncollectible contributions	360,000	340,000
Change in discount on contributions receivable	109,487	(34,984)
Unrealized (gains) losses on investments	85,900	(602,513)
Realized gain on sale of investments	(3,516)	(14,316)
Decrease (increase) in operating assets:		
Contributions receivable	(2,600,701)	2,352,201
Prepaid expenses	(31,161)	20,661
Other assets	(1,079,164)	(2,077)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	157,099	124,988
Due to partners	(278,892)	700,656
Due to other United Ways	(14,861)	(21,772)
Other liabilities	(6,770)	15,617
NET CASH FLOWS FROM OPERATING ACTIVITIES	(393,308)	336,786
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(2,768,203)	(6,518,824)
Proceeds from sale of investments	4,938,543	5,786,032
Proceeds from beneficial interest in charitable trust	4,727	35,260
Increase in restricted cash	(1,654)	(1,263,683)
Purchase of property and equipment	(47,505)	(225,819)
NET CASH FLOWS FROM INVESTING ACTIVITIES	2,125,908	(2,187,034)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of long-term debt	1,063,500	1,110,000
NET CASH FLOWS FROM FINANCING ACTIVITIES	1,063,500	1,110,000
NET CHANGE IN CASH AND CASH EQUIVALENTS	2,796,100	(740,248)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,014,214	3,754,462
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 5,810,314	$ 3,014,214
Cash paid for interest	$ -	$ -

See Notes to Financial Statements

(1) Summary of significant accounting policies

Nature of operations – United Way of Salt Lake ("UWSL") is a nonprofit organization, incorporated in the state of Utah, governed by a volunteer Board of Directors that is comprised of business and community leaders. Board members are nominated from the community by a Nominating Committee comprised of at least five members of the Board of Directors. The stated mission of UWSL is "to improve lives and build strong communities by uniting individuals and organizations with the will, passion, expertise, and resources needed to solve problems". UWSL promises to create opportunities in the community so that all children and families, regardless of their circumstances, have the same chances to succeed in school and in life. UWSL envisions a community where all individuals and families achieve their potential through education, income stability and healthy lives; where all children receive a quality education that offers a pathway to a brighter tomorrow; where the cycle of poverty and financial dependence ends and more productive lives begin and where everyone receives effective health care that improves their quality of life.

Comprehensive research has identified issues related to education, income and health as the primary challenges which people face that are barriers to their success. As a result, UWSL focuses its work in these areas. The research has also identified people's most basic needs to be food, shelter, health and safety.

To most effectively address these complex issues, UWSL develops comprehensive, cross-sector partnerships that work together to achieve population-level results (in addition to individual/program-level results). These "Promise Partnerships" build cradle-to-career infrastructure and focus their efforts in neighborhoods and communities (or on populations) where the needs are greatest and where key partners are willing to work together. The work of these partnerships happens through regional and community-focused "collaborative action networks," and through "community schools" or neighborhood centers that function as hubs of services and supports for their communities. Working with dozens of community partners, programs and services are focused primarily on education but also work with families to improve their financial stability and their health. In addition, UWSL provides grants to community partners that provide basic needs services of food, shelter, health and safety. UWSL advocates at all levels of government on a public policy agenda that is tied to its areas of focus, which are education, income, health, and basic needs.

UWSL also raises and distributes resources to more than 200 additional nonprofit organizations at the specific request of its donors.

In January 2012, UWSL launched a significant major gifts campaign, Changing the Odds, with the goal of strengthening UWSL's cradle-to-career pipeline in the communities where its work is focused. These resources will ensure partnerships with businesses, schools, cities, and the community's most visionary philanthropists and will change the odds for children, their families, and entire communities both today, and for generations to come. Investors in the Changing the Odds campaign participate as members of UWSL's Changing the Odds Founding Council (the "Council"). The Council ensures investors stay informed and engaged in the progress of this transformative collective impact approach to solving our communities' most serious social problems.

(1) Summary of significant accounting policies (continued)

Basis of presentation – The financial statements are presented in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958-205, *Not-for-Profit Entities, Presentation of Financial Statements*. Under FASB ASC 958-205, UWSL is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Unrestricted net assets are those whose use by UWSL can be for any purpose to support UWSL. Temporarily restricted net assets are those whose use by UWSL has been limited by donors to a specific time period, purpose, or both. Although temporarily restricted net assets are typically reported as support that increases restricted net assets, they are reported as unrestricted net assets if the restrictions are met in the same reporting period. Permanently restricted net assets have been restricted by donors to be maintained by UWSL in perpetuity.

Prior year summarized comparative information – The financial statements and certain notes include certain prior year summarized comparative information in total. Such information does not always include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Accordingly, such information should be read in conjunction with UWSL's financial statements for the year ended June 30, 2014, from which the summarized comparative information was derived.

Reclassifications – Certain balances for the year ended June 30, 2014 have been reclassified to make them consistent with the current year presentation. The reclassifications had no effect on the change in net assets for 2014.

Use of estimates – The preparation of financial statements in conformity with U.S. GAAP 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.

Cash and cash equivalents – UWSL considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

Contributions receivable – Contributions receivable that are to be collected within one year are recorded at net realizable value. Contributions receivable that are expected to be collected in future years are initially recorded at the fair value of their estimated future cash flows as of the date of the promise to give through the use of a present value discount technique. In periods subsequent to initial recognition, contributions receivable are reported at the amount management expects to collect and are discounted over the collection period using the same discount rate as determined at the time of initial recognition. The discount rate determined at the initial recognition of the contribution receivable is based upon management's assessment of many factors, including when the receivable is expected to be collected, the creditworthiness of the other parties, UWSL's past collection experience and its policies concerning the enforcement of contributions receivable, expectations about possible variations in the amount or timing, or both, of the cash flows, and other factors concerning the receivable's collectability. Amortization of the discount is recorded as temporarily restricted contributions in the statement of activities.

(1) Summary of significant accounting policies (continued)

UWSL uses the allowance method to determine uncollectible contributions. The allowance is based on historical experience and management's analysis of specific balances.

Property and equipment – Property and equipment are recorded on the basis of cost for items purchased or estimated fair market value at the date of gift for donated items. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. UWSL capitalizes property and equipment with a cost over $500 and an estimated useful life of two years or more. Depreciation of property and equipment and amortization of leasehold improvements are computed using the straight-line method based on the shorter of the estimated useful lives or lease terms of the assets as follows:

Assets	Estimated Useful Lives
Furniture, fixtures, and equipment	3 - 10 years
Leasehold improvements	5 - 15 years
Computer equipment	2 - 7 years
Software	2 - 7 years
Vehicle	3 - 7 years
2-1-1 call center equipment	3 - 7 years

Long-lived assets – Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to net future undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. No impairment charges were recorded during the years ended June 30, 2015 and 2014.

Investments – UWSL reports investments in equity securities that have readily determinable fair values, and all investments in debt securities at fair value. The fair values of investments are based on quoted market prices. Investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risks associated with certain investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect account balances and the amounts reported in the accompanying financial statements.

Agency transactions – UWSL, acting as an agent, receives cash contributions from individuals, small businesses, large corporations and other United Ways. These donations are transferred to the designated recipients based on the wishes of the donor.

(1) Summary of significant accounting policies (continued)

Contributions – Contributions are received from federal, state and local grants. Other donations are primarily obtained from corporations, individuals and foundations. Organization and individuals may choose to designate all or part of their contributions to specific programs. In addition to contributions received from Cornerstone Partners, other principal programs of UWSL include Changing the Odds, community and collective impact initiatives and 2-1-1 Call Center. Contributions are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and nature of any donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Amounts that are restricted for future periods or restricted for specific purposes are reported as temporarily restricted or permanently restricted support. When a donor-stipulated time restriction ends or a purpose restriction is accomplished, the restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions.

The temporary restrictions on assets as of June 30, 2015 and 2014, relate to the collections and pledges which are designated for allocation during future years, including Cornerstone Partners contributions, and other contributions which, at the direction of the donor, are to be used in specific programs and have not been expended at year end.

The permanent restrictions on assets as of June 30, 2015 and 2014, relate to UWSL's beneficial interests in charitable trusts and endowments.

Cornerstone Partners contributions – Contributions for UWSL's Cornerstone Partners program consist of agreements with various corporations and foundations that specifically designate their contributions to be utilized for supporting service expenses of UWSL in order for UWSL to ensure that almost all of each individual contribution received can go toward supporting programs and initiatives that benefit the community. The Cornerstone Partners' support also allows UWSL to direct individual designations received to any qualified nonprofit organization, other local United Ways and UWSL initiatives, while deducting very little for administrative costs or processing fees. Additionally, unrestricted revenue from other sources, including administrative fees on non-Cornerstone Partners' corporate gifts, sponsorships, investment revenue and other miscellaneous revenues are utilized for supporting service expenses.

In-kind contributions – Donated property, marketable securities and other noncash donations are recorded as contributions at their estimated fair value as of the date of donation.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by UWSL.

(1) Summary of significant accounting policies (continued)

UWSL receives donated specialized consulting services, printing, radio, newspaper, and television advertising, prizes for special events, catering and other goods and services. In addition, many individuals have donated significant amounts of their time in organizational governance, program services and resource development efforts. No amounts have been reflected in the financial statements for these volunteer services since they did not meet the criteria for recognition.

Functional expenses – UWSL follows guidelines established by United Way Worldwide's "Functional Expenses and Overhead Reporting Standards" for allocating costs among functional expense categories. In general, where a specific cost can be identified with a particular function, the cost is charged directly to that function. If costs cannot be identified directly with specific functional categories, those costs are allocated among functional categories based upon project codes, the "full-time equivalent" and other accepted methods of cost allocation. The categories for reporting functional expenses are as follows:

Program services

Community/Collective Impact – UWSL has adopted an innovative approach to community problem-solving called Collective Impact. Collective Impact is a rigorous approach to collaboration in which cross-sector partners share accountability for population-level results and use data to develop aligned and mutually-reinforcing strategies. UWSL's focus is on advancing the education, income and health of its neighborhoods and communities to ensure every child succeeds every step of the way, from cradle-to-career. Together with its many partners, UWSL works to create a vision and set goals, align programs, activities and strategies, measure success by tracking and sharing data, and engage in continuous communication to support continuous improvement.

UWSL serves in the unique and critical role of "backbone" to facilitate these partnerships and to bring people and organizations together to "connect the dots". This ensures that there is a pipeline of support for children and their families from birth to career.

Through collaboration with many community partners, UWSL's Promise Partnerships work to achieve eight main goals: 1) infants and toddlers demonstrate age-appropriate development; 2) children enter kindergarten ready to learn; 3) students achieve on grade level in reading, math and science; 4) students graduate from high school and are college or career ready; 5) students enroll in and complete post-secondary education; 6) families gain the income and financial tools to thrive; 7) children and families develop healthy behaviors and improve their overall health; 8) people's most basic needs of food, shelter, health and safety are met.

(1) Summary of significant accounting policies (continued)

Through UWSL's community schools and neighborhood centers, which are located in some of the community's most economically-challenged neighborhoods in Clearfield, Salt Lake City, South Salt Lake, Kearns, West Valley City, Midvale and Park City, parents receive adult education courses including employment readiness, financial management, language, and computer classes. Kids can get involved in academic and youth development activities, including after-school and tutoring, mentoring and reading programs, physical activities, art and other enrichment opportunities. On-site basic health screenings, mental and dental health services and preventative care are also provided.

Promise Partnership community schools and neighborhood centers are located within already existing facilities in schools, apartment complexes, and community centers, so that valuable and scarce resources go directly to programs and services, rather than to constructing buildings.

UWSL works as an integral partner with schools, cities, state government, businesses, churches and nonprofits to guide the vision and strategies, build public will, support aligned activities, establish shared measurement systems, mobilize funding, advance public policies and engage volunteers.

United Way 2-1-1 – UWSL has responsibility for the state's 2-1-1 Information and Referral System ("2-1-1"). It is a statewide service that is an easy-to-remember information and referral telephone number that people dial to get connected and get answers. 2-1-1 connects people to important health, human and community service programs, including: emergency food pantries, rental assistance, public health clinics, legal aid, and a variety of nonprofit and government agencies. Individuals, families and corporate and religious groups can dial 2-1-1 to get connected to meaningful volunteer opportunities. People can also access 2-1-1 services by going to the 2-1-1 website.

Supporting services

Management and general – Includes overall direction and administration of UWSL and ensures that UWSL is well-managed; is responsible for strategic planning and overall development of organization; develops and strengthens community relationships, including maintaining a strong and effective Board of Directors, has responsibility for all staff functions, including hiring, training, human resource management, and benefits administration; properly and accurately maintains general records; is responsible for fiscal management, including financial statements, audits, contributions and accounts receivable, accounts payable and in-kind contributions.

(1) Summary of significant accounting policies (continued)

Resource development – Develops, implements and refines overarching resource development plan to secure resources necessary to support the organizational mission and business model. Researches, develops and implements new strategies and best practices to strengthen current resource development efforts. Increases revenue by broadening the base of support through innovation and development of new revenue streams. Cultivates and stewards relationships with current and prospective donors through personal contact, including phone calls, email, written correspondence and visits. Engages staff and the Board of Directors in the process to cultivate donors and secure revenue. Develops, implements, and manages current and prospective donor cultivation and stewardship practices. Works with the Marketing Department to develop and produce all of the organizational materials such as brochures, pledge forms, posters, banners and other collateral materials including advertising, media coverage, special events, audio/visual materials, and all forms of social media. In cooperation with the Collective Impact Department, researches and writes foundation and government grants to secure restricted revenue for specific projects to advance UWSL's work.

Advertising costs – Advertising costs are expensed when incurred. Advertising expense was $642,119 and $764,766 for the years ended June 30, 2015 and 2014, respectively, out of which approximately $463,000 and $542,000 was donated advertising for the years ended June 30, 2015 and 2014, respectively.

Income taxes – UWSL is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. Accordingly, no provision for income taxes has been reflected in UWSL's financial statements. UWSL evaluates its uncertain tax positions, if any, on a continual basis through review of its policies and procedures, review of its regular tax filings, and discussions with outside experts. UWSL management does not believe there are any material uncertain tax positions and, accordingly, UWSL has not recognized any liability for unrecognized tax benefits.

UWSL's policy is to record income tax penalties and interest expense in its financial statements. During the years ended June 30, 2015 and 2014, UWSL incurred no penalties and interest. UWSL's Federal Return of Organizations Exempt from Income Tax (Form 990) for 2012, 2013, and 2014 are subject to examination by the Internal Revenue Service ("IRS"), generally for three years after they were filed. As of the date of this report, UWSL's 2015 return had not yet been filed.

Fair value measurements – FASB ASC 820*, Fair Value Measurements,* provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

(1) **Summary of significant accounting policies (continued)**

The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that UWSL has the ability to access.

Level 2 Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in inactive markets; inputs other than quoted market prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Recent accounting pronouncements – In April 2013, the FASB issued ASU No. 2013-06, *Not-for-Profit Entities (Topic 958): Services Received from Personnel of an Affiliate*, which requires not-for-profit entities to recognize all services received from personnel of an affiliate that directly benefit the recipient not-for-profit entity. Those services should be measured at the cost recognized by the affiliate for the personnel providing those services unless this amount would significantly overstate or understate the value of the service received, in which case the recipient not-for-profit entity may elect to recognize that service received at either the cost recognized by the affiliate or the fair value of the service. ASU No. 2013-06 is effective for fiscal years beginning after June 15, 2014. A recipient not-for-profit entity may apply the amendments using a modified retrospective approach under which all prior periods presented upon the date of adoption should be adjusted, but no adjustment should be made to the beginning balance of net assets to the earliest period presented. Early adoption is permitted. UWSL adopted ASU No. 2013-06 during the year ended June 30, 2014. There was no impact on the financial statements upon adoption of this standard.

(1) Summary of significant accounting policies (continued)

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The entity should apply the following steps:

1. Identify the contract(s) with a customer.
2. Identify the performance obligations in the contract.
3. Determine the transaction price.
4. Allocate the transaction price to the performance obligations in the contract.
5. Recognize revenue when (or as) the entity satisfies a performance obligation.

For nonpublic entities, the amendments in this update are effective for annual reporting periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. Early adoption is permitted under several options, the earliest for a year beginning after December 15, 2017, and interim periods within that year. The adoption of ASU No. 2014-09 is not expected to have a significant impact on UWSL's financial statements.

(2) Contributions receivable

Contributions receivable include campaign, community impact initiative, and Changing the Odds contributions. Contributions receivable consisted of the following as of June 30, 2015 and 2014:

	2015	2014
Amounts due in:		
Less than one year	$ 9,510,318	$ 5,971,334
One to five years	4,948,083	6,331,366
Totals	14,458,401	12,302,700
Less allowance for uncollectible contributions	(770,000)	(855,000)
Less unamortized discount	(430,551)	(321,064)
Contributions receivable, net	$ 13,257,850	$ 11,126,636

Contributions receivable due in more than one year are reflected at the present value of estimated future cash flows using discount rates ranging from 1.15% to 2.41%.

(3) Property and equipment

The cost and related accumulated depreciation and amortization of property and equipment as of June 30, 2015 and 2014 consisted of the following:

	2015	2014
Cost		
Furniture, fixtures, and equipment	$ 95,469	$ 95,469
Leasehold improvements	113,226	110,779
Computer equipment	136,400	109,250
Software	138,840	132,277
Vehicle	25,304	25,304
2-1-1 call center equipment	120,873	109,742
Total cost	630,112	582,821
Less accumulated depreciation and amortization	(368,291)	(284,796)
Property and equipment, net	$ 261,821	$ 298,025

Depreciation and amortization expense charged to operations was $83,709 and $77,004 for the years ended June 30, 2015 and 2014, respectively.

(4) Investments

Investments by major type as of June 30, 2015 and 2014 consisted of the following:

	2015	2014
Certificates of deposit	$ 4,455,899	$ 6,175,174
Exchange traded funds	4,656,900	3,629,712
Preferred stock	115,800	230,100
Mutual funds - bonds	105,352	1,104,966
Mutual funds - equities	330,720	777,443
Total investments	$ 9,664,671	$ 11,917,395

Investment returns for the year ended June 30, 2015, are summarized by net asset class as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Interest and dividends	$ 153,761	$ 25,538	$ -	$ 179,299
Realized gains on sale of investments	15,252	4,564	-	19,816
Unrealized losses on investments	(92,994)	(9,206)	-	(102,200)
Investment advisor fees	(43,524)	-	-	(43,524)
Totals	$ 32,495	$ 20,896	$ -	$ 53,391

(4) Investments (continued)

Investment returns for the year ended June 30, 2014, are summarized by net asset class as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Interest and dividends	$ 156,910	$ 18,988	$ -	$ 175,898
Realized gains on sale of investments	14,316	-	-	14,316
Unrealized gains on investments	559,153	43,360	-	602,513
Investment advisor fees	(43,867)	-	-	(43,867)
Totals	$ 686,512	$ 62,348	$ -	$ 748,860

(5) Split-interest agreements

UWSL is a co-beneficiary of a charitable remainder unitrust (“CRUT”) that terminates after the death of the primary beneficiary. UWSL will receive 33% of the remaining principal and income, if any, upon termination of the trust. UWSL’s pro-rata interest in the trust is recorded at the fair value of the assets contributed to the trust and is permanently restricted.

UWSL is also the beneficiary of a charitable support trust (“CST”) which will be funded by a CRUT upon the death of the original donors. UWSL will be the beneficiary of and participate in the earnings and/or principal distributions of the CST after the death of the donors. The future interest in the CST is not included in the financial statements of UWSL since the original donors reserve the right to change the beneficiary of the CRUT.

(6) Due to partners

Payments due to partners consisted of donor contributions designated for partners of $1,726,061, net of an allowance for uncollectible designated contributions of $0, as of June 30, 2015. Payments due to partners consisted of donor contributions designated for partners of $2,004,953, net of an allowance for uncollectible designated contributions of $0, as of June 30, 2014.

Payments due to other United Ways were $337,540 and $352,401 as of June 30, 2015 and 2014, respectively.

(7) Board designated net assets

Board designated net assets consisted of board designated endowment funds of $918,241 and $903,854 as of June 30, 2015 and 2014, respectively. Board designated endowment funds for the year ended June 30, 2015, includes a $500,000 board designated endowment fund for the Deborah S. Bayle Scholarship Fund for Youth.

(8) Long-term debt

In August 2013, a Social Impact Bond program for early childhood education was established in Utah. Through a partnership led by UWSL, a Utah High Quality Preschool Program ("UHQPP") was established with funding from private investors ("Lenders"). UHQPP is established to deliver high impact and targeted curriculum to increase readiness and academic performance among 3 and 4 year olds. By entering kindergarten better prepared, it is expected that fewer children will need special education and remedial service in kindergarten through the 12th grade, which results in cost saving for school districts and the State of Utah.

The State of Utah did not initially join the program as a repayment partner in 2013. However, in March of 2014, the Utah State Legislature passed HB96, the Utah School Readiness Initiative, and allocated funds to support grants to education agencies and private providers to increase the quality of early childhood programming throughout Utah. As such, UHQPP is comprised of two parts:

(1) Proof of Concept, or first cohort (commencing with school year 2013 – 2014); and
(2) State of Utah HB96, or second through fifth cohorts (commencing each school year after school year 2013 – 2014 for the school years 2014-2018).

Children selected for UHQPP are given the Peabody Picture Vocabulary Test, a predictive evaluation that serves as an indicator of their likely usage of resource special education and remedial services. Students that test two standard deviations below the mean are therefore likely to use special education services and are tracked as they progress through each year. These students form the separate annual cohorts and associated payment cohorts.

Success of UHCPP is evaluated by an independent evaluator each year and every year a student in a payment cohort does not use resource special education services, Success Payments will be generated and paid to the Lenders.

Funding for the first cohort occurred in August 2013 and the second cohort occurred in September 2014. The funding for both of the first two cohorts has been entered into between UWSL and the same private lender which holds the senior loan agreements and the same private lender that holds the subordinate loan agreements. The loans for cohort 1 bear interest at 5% per year calculated on a simple interest basis and mature eight years after the initial advance date. An additional feature of the loans for cohort 1 provide for the possibility of additional "success payments" to investors based on the success of the program. The loans for cohorts 2 through 5 bear interest which is capped at 5% above the Municipal Market Data General Obligation Bond Rate as of the date the contract is executed. Principal and interest payments are due under both the senior and subordinate loans on the anniversary date of the initial advance, beginning on the third anniversary of the initial advance.

Upon maturity of the senior loans and subordinate loans and after application in full of all Success Payments, and subject to any liability that UWSL may have under limited resource carve-out agreements, the senior lender and the subordinate lender shall forgive any unpaid obligations with respect to any unpaid principal balance and any accrued and unpaid interest of the senior loans and subordinate loans, respectively.

(8) Long-term debt (continued)

The funding balances for the cohorts are as follows:

First Cohort
A principal amount of $1,110,000 was borrowed by UWSL on the first cohort. In association with the funds, UWSL transferred funds totaling $1,262,500 into a separate restricted cash Performance Account. As of June 30, 2015 and 2014, the Performance Account balance was $1,265,337 and $1,263,683, respectively, including total interest earned for the years ended June 30, 2014 and 2013 of $1,644 and $1,183, respectively.

As of June 30, 2015, the outstanding balance associated with the first cohort on the senior loan and the subordinate loan was $740,000 and $370,000, respectively, and the total accrued interest on the senior loan and the subordinate loan was $54,213 and $27,107, respectively, and is included in accounts payable and accrued expenses in the accompanying statement of financial position.

As of June 30, 2014, the outstanding balance associated with the first cohort on the senior loan and the subordinate loan was $740,000 and $370,000, respectively, and the total accrued interest on the senior loan and the subordinate loan was $17,213 and $8,607, respectively, and is included in accounts payable and accrued expenses in the accompanying statement of financial position.

Success Payments, as defined in the loan agreements, are an amount equal to a percentage of the Per Child Success Amount, which is equal to $2,607. Prior to the repayment of principal and interest, the payments to Lenders are based on an amount which is 95% of the Per Child Success Amount. Subsequent to the payment of principal and interest for the first cohort only, additional Success Fees may be paid and are based on a reduced percentage of the Per Child Success Amount, which is 40%. For the first cohort, all payments to Lenders are limited to the total amount held in the Performance Account.

Cost savings or special education costs avoided determined subsequent to June 30, 2015 for the first cohort are $281,550, based on the independent evaluator's report. Lenders will receive payment equal to 95% of these savings.

Second Cohort
A principal amount of $1,063,500 was borrowed by UWSL on the second cohort. For the second cohort, UWSL will act as a contractor for the School Readiness Board agency ("SRB") of the State of Utah with oversight responsibility and the State of Utah will provide the funding through the SRB. The additional funding that UWSL expects to receive from the State of Utah to repay the second cohort loans is recorded in other assets in the amount of $1,078,504, as of June 30, 2015. After funding the 2014 – 2015 school year, subsequent investments will be made based on the availability of funds from the State of Utah. If the preschool program does not result in increased school readiness and decreased use of special education services, then there is no obligation on the part of the State of Utah to repay the loan. The Lenders retain the risk of non-payment under the agreement.

(8) Long-term debt (continued)

As of June 30, 2015 the outstanding balance associated with the second cohort on the senior loan and the subordinate loan was $709,000 and $354,500, respectively. As of June 30, 2015, accrued interest on the senior loan and the subordinate loan was $14,245 and $7,123 respectively, and is included in accounts payable and accrued expenses in the accompanying statement of financial position. Corresponding amounts of accrued interest receivable are included in other assets on the accompanying statements of financial position.

Success Payments to the Lenders will be made equal to 95% of the Per Child Success Amount, which is equal to $2,607 for every year from kindergarten through sixth grade. The State of Utah will retain 5.0% of the Per Child Success Amount for each year from kindergarten through sixth grade or until the lenders have received the maximum payment amount based on an interest rate not to exceed 5.0% more than the Municipal Market Data General Obligation Bond AAA scale for a 10 year maturity. From the seventh grade through twelfth grade, the State of Utah retains 100% of the avoided costs, or approximately $2,700 per student.

Third Cohort

Subsequent to June 30, 2015, a third cohort is in the process of being initiated. UWSL expects the terms to be substantially similar to the loan arrangements in the second cohort, with UWSL acting as a contractor for the School Readiness Board and funding from the State of Utah.

(9) Temporarily restricted net assets

Temporarily restricted net assets are available for the following purposes as of June 30, 2015 and 2014:

	2015	2014
Changing the Odds	$ 10,172,667	$ 9,170,796
Cornerstone Partners	1,979,462	2,039,848
Other restricted grants	292,630	517,500
Women's Leadership Council	1,020,286	849,338
Sponsorships	423,750	285,750
Endowment	320,822	315,012
Community fund	13,108	39,181
Total temporarily restricted net assets	$ 14,222,725	$ 13,217,425

Temporarily restricted net assets released from restrictions totaled $6,327,184 and $6,237,557 for the years ended June 30, 2015 and 2014, respectively. Net assets released from restrictions relate to collections on contributions receivable and the satisfaction of time and purpose restrictions on funds as specified by donors.

(10) Permanently restricted net assets

Permanently restricted net assets consisted of the following as of June 30, 2015 and 2014:

	2015	2014
Beneficial interests in charitable trusts	$ 26,394	$ 31,121
Children's Initiative Endowment Investment	50,000	50,000
Davis County Endowment Investment	35,307	35,307
Total permanently restricted net assets	$ 111,701	$ 116,428

(11) Endowment

UWSL's endowment includes both donor-restricted endowments and funds designated by the Board of Directors to function as endowments.

As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of relevant law – The Board of Directors of UWSL has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), as adopted by the State of Utah, as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, UWSL classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by UWSL in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, UWSL considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of the organization and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of UWSL
(7) The investment policies of UWSL

(11) Endowment (continued)

Endowment net asset composition by type of fund as of June 30, 2015 consisted of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ (1,106)	$ 320,822	$ 85,307	$ 405,023
Board-designated endowment funds	918,241	-	-	918,241
Total endowment net assets	$ 917,135	$ 320,822	$ 85,307	$ 1,323,264

Endowment net asset composition by type of fund as of June 30, 2014 consisted of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ (1,642)	$ 315,012	$ 85,307	$ 398,677
Board-designated endowment funds	903,854	-	-	903,854
Total endowment net assets	$ 902,212	$ 315,012	$ 85,307	$ 1,302,531

Changes in endowment net assets for the year ended June 30, 2015 consisted of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 902,212	$ 315,012	$ 85,307	$ 1,302,531
Investment return:				
Interest and dividends	38,319	14,919	-	53,238
Net depreciation (realized and unrealized)	(15,414)	(6,001)	-	(21,415)
Investment advisor fees	(7,982)	(3,108)	-	(11,090)
Total investment return	14,923	5,810	-	20,733
Endowment net assets, end of year	$ 917,135	$ 320,822	$ 85,307	$ 1,323,264

Changes in endowment net assets for the year ended June 30, 2014 consisted of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 769,867	$ 263,485	$ 85,307	$ 1,118,659
Investment return:				
Interest and dividends	23,168	9,021	-	32,189
Net appreciation (realized and unrealized)	117,444	45,725	-	163,169
Investment advisor fees	(8,267)	(3,219)	-	(11,486)
Total investment return	132,345	51,527	-	183,872
Endowment net assets, end of year	$ 902,212	$ 315,012	$ 85,307	$ 1,302,531

(11) Endowment (continued)

Funds with deficiencies – From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or applicable state law requires UWSL to retain as a fund of perpetual duration. In accordance with U.S. GAAP, deficiencies of this nature that are reported in unrestricted net assets were $1,106 and $1,642 as of June 30, 2015 and 2014, respectively. These deficiencies resulted from unfavorable market fluctuations.

Return objectives and risk parameters – UWSL has adopted investment and spending policies for endowment assets that attempt to maximize long-term gains with an acceptable level of risk and to provide funding for special projects or initiatives, to act as an emergency funding source or to fund capital expenditures. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for donor-specified periods as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that meet or exceed appropriate nationally recognized performance indices (benchmarks) selected by the Investment Committee over a five-year rolling time period. Actual returns in any given year may vary from this amount.

Strategies employed for achieving objectives – To satisfy its long-term rate-of-return objectives, UWSL relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). UWSL targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending policy and how the investment objective relates to spending policy – Distribution of endowment funds are approved by the Board of Directors and are made when deemed appropriate. A guideline for distributions from the endowment fund earnings, on a fiscal year basis, is defined as 50% of the investment income growth (including income and capital appreciation), of the endowment funds, unless otherwise recommended by the Board of Directors.

This is consistent with UWSL's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. There were no amounts appropriated for expenditures during the years ended June 30, 2015 and 2014.

(12) Designated grants

Community impact initiative contributions for the years ended June 30, 2015 and 2014 consisted of the following:

	2015	2014
2-1-1 call center	$ 643,500	$ 453,750
Community learning centers	42,000	211,089
EITC/VITA	17,500	59,880
Women's Leadership Council	81,664	52,420
Total	$ 784,664	$ 777,139

(13) Grants to community partners

Grants to community partners for the years ended June 30, 2015 and 2014, consisted of the following:

	2015	2014
Grants to impact partners	$ 5,132,264	$ 5,499,101
Utah Saves grants	-	500
Total	$ 5,132,264	$ 5,499,601

(14) Leases

UWSL leases office space and equipment under non-cancelable operating leases. Lease expense for these leases was approximately $240,000 and $241,000 for the years ended June 30, 2015 and 2014, respectively.

Future aggregate minimum lease payments under existing non-cancelable leases as of June 30, 2015 are as follows:

Years Ending June 30,	
2016	$ 243,100
2017	246,100
2018	246,300
2019	252,600
2020	258,500
Thereafter	499,100
Total future minimum lease payments	$ 1,745,700

(15) Concentrations of credit and market risks (continued)

Primarily all of UWSL's revenues and receivables are from businesses and individuals located in the Davis, Salt Lake, Summit, and Tooele County areas in the state of Utah. UWSL maintains cash and investments in bank and brokerage accounts which at times may exceed their federally insured limits of $250,000 set by the Federal Deposit Insurance Corporation. UWSL has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk on these balances.

UWSL also maintains accounts with stock brokerage firms and has beneficial interests in charitable trusts which maintain accounts with brokerage firms. The accounts contain cash, securities and other investments. The balances are insured by the Securities Investors Protection Corporation up to a ceiling of $500,000 with a $250,000 limit for cash claims. UWSL's investments in securities and beneficial interests in charitable trusts are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with these investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the financial statements.

(16) Related party transactions

Annual dues paid to United Way Worldwide totaled $90,754 and $97,222 for the years ended June 30, 2015 and 2014, respectively.

(17) Retirement plan

UWSL sponsors a 403(b) plan (the "Plan"), which reports on a calendar year. Benefits under the Plan are provided through a group annuity contract. Employer matching contributions to the Plan are equal to 100% of employee elective deferrals up to 6% of eligible gross wages. Employer contributions made to the Plan were $128,444 and $123,742 for the years ended June 30, 2015 and 2014, respectively.

(18) Fair value measurements

Assets measured at fair value on a recurring basis as of June 30, 2015 consisted of the following:

	Level 1	Level 2	Level 3	Balance as of June 30, 2015
Certificates of deposit	$ -	$ 4,455,899	$ -	$ 4,455,899
Exchange traded funds	4,656,900	-	-	4,656,900
Preferred stock	115,800	-	-	115,800
Mutual funds - bonds	105,352	-	-	105,352
Mutual funds - equities	330,720	-	-	330,720
Beneficial interests in charitable trusts	-	-	26,394	26,394
Total	$ 5,208,772	$ 4,455,899	$ 26,394	$ 9,691,065

(18) Fair value measurements (continued)

Assets measured at fair value on a recurring basis as of June 30, 2014 consisted of the following:

	Level 1	Level 2	Level 3	Balance as of June 30, 2014
Certificates of deposit	$ -	$ 6,175,174	$ -	$ 6,175,174
Exchange traded funds	3,629,712	-	-	3,629,712
Preferred stock	230,100	-	-	230,100
Mutual funds - bonds	1,104,966	-	-	1,104,966
Mutual funds - equities	777,443	-	-	777,443
Beneficial interests in charitable trusts	-	-	31,121	31,121
Total	$ 5,742,221	$ 6,175,174	$ 31,121	$ 11,948,516

The investments in certificates of deposit are valued using the estimated cash flows based on terms such as the fixed rate of return as compared to the benchmark interest rates, which are market observable.

Beneficial interests in charitable trusts are valued using estimated rates of return on the assets held by the charitable trusts, the expected cash flows to be received when the assets are distributed from the trusts and the fair value of the underlying assets held by the trusts.

For the Level 2 and Level 3 assets, there were no changes in the valuations techniques during the years ended June 30, 2015 and 2014.

The table below presents the change in fair value measurements that used Level 3 inputs during the years ended June 30, 2015 and June 30, 2014:

	2015	2014
Balance, beginning of year	$ 31,121	$ 71,385
Settlements	-	(35,260)
Net unrealized gains (losses)	(4,727)	(5,004)
Balance, end of year	$ 26,394	$ 31,121

Net unrealized gains and losses on Level 3 instruments have been recorded in the statement of activities under the caption “Increase (decrease) in interests in charitable trusts.”

(19) Subsequent events

UWSL has evaluated subsequent events through October 15, 2015, which is the date these financial statements were available to be issued.

CERTIFICATION

We hereby certify that:

1. We have read the audited financial statements of United Way of Salt Lake for the year ended June 30, 2015.

2. Based on our knowledge, these financial statements do not contain any untrue statement of material facts, nor are we aware of any omission of facts, that would make the financial statements misleading.

3. Based on our knowledge, the financial statements and other financial information included in this report, fairly present, in all material respects, the financial condition, change in net assets, and cash flows of United Way of Salt Lake as of, and for the period ended June 30, 2015.

10/15/15	
William Crim, CEO	Date
	10/15/2015
Kevin Grimmett, Chief Financial Officer	Date