

UNITED WAY OF NORTHWEST ARKANSAS, INC.

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2016



UNITED WAY OF NORTHWEST ARKANSAS, INC.
JUNE 30, 2016

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Independent Auditor's Report

To the Board of Directors
United Way of Northwest Arkansas, Inc.
Lowell, Arkansas

We have audited the accompanying financial statements of the United Way of Northwest Arkansas, Inc. (a nonprofit Organization), which comprise the statement of financial position as of June 30, 2016, 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 controls 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization'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 Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the United Way of Northwest Arkansas, Inc., as of June 30, 2016, 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 Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Allocations, Designations and Other Distributions is presented for 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 audit 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.



Przybysz & Associates, CPAs, P.C.
Fayetteville, Arkansas
February 16, 2017

FINANCIAL STATEMENTS

UNITED WAY OF NORTHWEST ARKANSAS, INC.

STATEMENT OF FINANCIAL POSITION

AS OF JUNE 30, 2016

Assets	
Cash and cash equivalents	\$ 773,815
Certificates of deposit	489,418
Pledges receivable, net	1,317,324
Inventory	577,889
Prepaid expenses	4,523
Buildings and improvements	627,138
Furniture, fixtures, and equipment	129,660
Less: accumulated depreciation	(260,339)
Land, held for sale	119,000
Investments	1,188,855
Total Assets	\$ 4,967,283

Liabilities and Net Assets	
Liabilities	
Allocations payable to agencies	\$ 1,881,026
Accrued payroll and liabilities	38,926
Other accrued expenses	1,366
Total Liabilities	1,921,318
Net Assets	
Unrestricted	3,045,965
Temporarily restricted	-
Total Net Assets	3,045,965
Total Liabilities and Net Assets	\$ 4,967,283

See accompanying notes to financial statements.

UNITED WAY OF NORTHWEST ARKANSAS, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2016

	Unrestricted	Temporarily Restricted	Total
Revenues and Other Support			
Current year United Way campaign	\$ 2,928,675	\$ -	\$ 2,928,675
Less amounts raised for designated organizations	(296,019)	-	(296,019)
Less provision for uncollectible pledges	(204,536)	-	(204,536)
Adjustment for allowance for uncollectible pledges	463,516	-	463,516
In-kind donations	18,806,646	-	18,806,646
Grant income	141,000	-	141,000
Special events	57,415	-	57,415
Warehouse membership fees	115,285	-	115,285
Interest and dividend income, net of expense	25,457	-	25,457
Unrealized gain on investments	296	-	296
Realized gain on sale of investments	3,261	-	3,261
Other income	56,743	-	56,743
Total Revenues and Other Support	22,097,739	-	22,097,739
Expenses			
Program services			
Net funds awarded/distributed	1,644,630	-	1,644,630
Gifts in-kind	18,920,643	-	18,920,643
Other program services	322,144	-	322,144
Support services			
Management and general	565,808	-	565,808
Fundraising	153,977	-	153,977
United Way Worldwide dues	37,086	-	37,086
Total Expenses	21,644,288	-	21,644,288
Change in Net Assets	453,451	-	453,451
Net Assets, Beginning of Year	2,592,514	-	2,592,514
Net Assets, End of Year	\$ 3,045,965	\$ -	\$ 3,045,965

See accompanying notes to financial statements.

UNITED WAY OF NORTHWEST ARKANSAS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2016

	Program Services				Support Services				Total
	Allocation Services	Gifts In-Kind	All Other Programs	Total Program	Management & General	Fund Raising	UWA Dues	Support	
Allocation/Awards	\$ 1,940,649	\$ 18,773,282	-	\$ 20,713,931	-	-	-	-	\$ 20,713,931
Less donor designations	(296,019)	-	-	(296,019)	-	-	-	-	(296,019)
Net Allocation/Awards	1,644,630	18,773,282	-	20,417,912	-	-	-	-	20,417,912
Community Impact									
Imagination Library	-	-	42,010	42,010	-	-	-	-	42,010
VITA / FTSI	-	-	58,153	58,153	-	-	-	-	58,153
Fill the Bus	-	-	9,899	9,899	-	-	-	-	9,899
211	-	-	89,423	89,423	-	-	-	-	89,423
Other Initiatives	-	-	9,824	9,824	-	-	-	-	9,824
Total Community Impact	-	-	209,309	209,309	-	-	-	-	209,309
Salaries and Related Expenses									
Salaries	-	74,393	74,218	148,611	324,145	65,741	-	389,886	538,497
Employee benefits	-	8,817	16,008	24,825	41,943	6,788	-	48,731	73,556
Payroll taxes	-	6,672	5,911	12,583	33,764	5,750	-	39,514	52,097
Total Salaries and Related expenses	-	89,882	96,137	186,019	399,852	78,279	-	478,131	664,150
Administration									
Advertising and marketing	-	-	-	-	-	17,179	-	17,179	17,179
Bank and credit card fees	-	-	-	-	5,337	-	-	5,337	5,337
Conferences and training	-	61	5,139	5,200	1,774	1,093	-	2,867	8,067
Depreciation	-	-	-	-	33,889	-	-	33,889	33,889
Dues and subscriptions	-	-	48	48	3,240	85	-	3,325	3,373
Equipment lease	-	-	-	-	7,578	-	-	7,578	7,578
Fundraising events	-	-	-	-	-	33,818	-	33,818	33,818
Insurance	-	-	-	-	12,182	-	-	12,182	12,182
Miscellaneous	-	334	400	734	3,978	-	-	3,978	4,712
Network and internet	-	-	4,165	4,165	13,953	2,707	-	16,660	20,825
Office supplies and expenses	-	1,943	10	1,953	5,228	1,230	-	6,458	8,411
Postage and delivery	-	-	114	114	5,313	-	-	5,313	5,427

See accompanying notes to financial statements.

UNITED WAY OF NORTHWEST ARKANSAS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2016

	Program Services				Support Services			
	Allocation Services	Gifts In-Kind	All Other Programs	Total Program	Management & General	Fund Raising	UWA Dues	Total Support
Administration (continued)								
Printing and publication	-	-	123	123	-	1,813	-	1,813
Professional fees	-	3,862	613	4,475	36,616	-	-	36,616
Property taxes	-	-	-	-	1,970	-	-	1,970
Rent expense	-	39,000	-	39,000	-	-	-	39,000
Repairs and maintenance	-	3,129	-	3,129	7,283	-	-	7,283
Travel and entertainment	-	221	2,881	3,102	1,852	2,988	-	4,840
UPIC/ANDAR	-	-	2,877	2,877	2,877	13,427	-	16,304
Utilities	-	7,473	245	7,718	17,625	280	-	17,905
Website	-	1,456	83	1,539	5,261	1,078	-	6,339
Total Administration	-	57,479	16,698	74,177	165,956	75,698	-	241,654
Total Expenses Before UWA Dues	1,644,630	18,920,643	322,144	20,887,417	565,808	153,977	-	719,785
United Way Worldwide	-	-	-	-	-	-	37,086	37,086
Total Expenses	\$ 1,644,630	\$ 18,920,643	\$ 322,144	\$ 20,887,417	\$ 565,808	\$ 153,977	\$ 37,086	\$ 756,871
								\$ 21,644,288

See accompanying notes to financial statements.

UNITED WAY OF NORTHWEST ARKANSAS, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2016

Cash Flows From Operating Activities

Change in net assets	\$	453,451
Noncash items:		
Depreciation		33,889
Net allowance for uncollectible pledges		(569,818)
Change in unrealized gain on investments		(296)
Realized gain on sale of investments		(3,261)
Donated securities		(15,421)
(Increase)/decrease in:		
Pledges receivable		572,846
Inventory		(17,943)
Prepaid expenses		40
Increase/(decrease) in:		
Allocations payable to agencies		(418,965)
Accounts payable		(31,961)
Accrued payroll and liabilities		(51,196)
Other accrued expenses		(48,569)
Net Cash Used In Operating Activities		(97,204)

Cash Flows From Investing Activities

Reinvestment in certificate of deposit earnings		(5,541)
Proceeds from matured certificate of deposit		105,141
Proceeds from sale of investments		222,117
Purchase and reinvestment of earnings on investments		(164,348)
Net Cash Provided By Investing Activities		157,369

Net Increase In Cash and Cash Equivalents

Cash and Cash Equivalents, Beginning of Year		713,650
Cash and Cash Equivalents, End of Year	\$	773,815

See accompanying notes to financial statements.

UNITED WAY OF NORTHWEST ARKANSAS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

Nature Of Operations

United Way of Northwest Arkansas, Inc. (the Organization) is organized as a nonprofit corporation governed by a volunteer Board of Directors. The Organization's mission is to Unite our Community to Empower People and Improve Lives in the Benton, Madison and Washington counties in Arkansas, McDonald county in Missouri and Delaware county in Oklahoma. The United Way accomplishes this mission by conducting annual fundraising campaigns, then allocating the resulting funds to nonprofit organizations meeting human service needs, organizations serving Children Living in Poverty (CLIP), direct services such as the GIK Warehouse, 211, VITA and the Dolly Parton Imagination Library and other community initiatives.

1. Summary of Significant Accounting Policies

a. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

b. Financial Statement Presentation

The Organization follows FASB ASC 958, Financial Statements of Not-For-Profit Organizations. Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. For the year ended June 30, 2016, the Organization did not have permanently restricted net assets.

c. Functional Expenses

Salaries and related expenses are allocated to the various program and supporting services based on actual or estimated time employees spend on each function. The remaining expenses are specifically allocated whenever practical or allocated proportionally based on the time spent on each function by the employees.

d. Fair Value Measurement

FASB guidance on fair value measurements defines fair values, establishes a framework for measuring fair value and expands disclosure of fair value measurements. The guidance applies to all assets and liabilities that are measured and reported on a fair value basis. The carrying amounts of financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, approximate fair value due to the short maturity of these instruments.

UNITED WAY OF NORTHWEST ARKANSAS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

1. Summary of Significant Accounting Policies (continued)

e. Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments with a maturity of three months or less when purchased to be cash equivalents.

f. Certificates of Deposit

Certificates of deposit include certificates purchased with an original maturity of more than three months and are recorded at cost.

g. Investments

The Organization records investment in securities at fair value on the date of purchase or donation. Investments are stated at fair value in the statement of financial position and the unrealized gain or loss resulting from the change in value is included in the statement of activities.

h. Pledges Receivable

Pledges received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Pledges to give will generally be collected within one year; however, contributions toward a given campaign year may ultimately be collected over three years. A provision for uncollectible pledges is recorded based upon 7% of the gross promises for the year, which is an estimate based on historically uncollectible pledges. The allowance for uncollectible pledges is \$99,153 at June 30, 2016.

The Organization elected to lower this provision from 7% to 5% beginning July 1, 2016.

i. Donor Designations

Annual campaign gifts in which the Organization agrees to transfer the gift to another beneficiary as designated by the donor constitute agency transactions and are deducted from gross campaign results to arrive at contribution revenue. In accordance with United Way Worldwide membership requirements, these designations are presented as part of gross campaign results and gross agency distributions on the statement of activities and functional expenses, but are then deducted to arrive at the Organization's actual revenue and expense under accounting principles generally accepted in United States of America.

UNITED WAY OF NORTHWEST ARKANSAS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

1. Summary of Significant Accounting Policies (continued)

j. Contributions

Contributions of donated noncash assets are recorded at their fair values in the period received.

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. Substantial numbers of unpaid volunteers have made significant contributions of their time to conduct the annual campaigns and for other purposes. The value of this contributed time is not reflected in the financial statements since the volunteers' time does not meet the criteria for recognition under generally accepted accounting principles.

k. Inventory

Inventory consists of donated products and nonperishable goods, the majority of which are facilitated through one corporation. Qualifying organizations (nonprofits, churches and governmental entities) pay membership fees and a fee to access the available inventory. Inventory is valued at estimated fair market value determined by the average value of all materials donated during the fiscal year. The estimated value of inventory at June 30, 2016 is \$577,889.

l. Land Held for Sale

Land for sale is property donated to the Organization and is recorded at estimated fair market value.

m. Fixed Assets and Depreciation

Purchased assets are recorded at cost. Donated assets are recorded at fair market value at the date of donation. Depreciation is computed using the straight line method over the assets' estimated useful life, less salvage value, as follows:

Buildings and improvements	10 - 40 years
Furniture, fixtures, and equipment	3 - 10 years

Depreciation expense for the fiscal year ended June 30, 2016 was \$33,889.

It is the Organization's policy to capitalize all asset purchases greater than \$500 while expensing all asset purchases under \$500.

UNITED WAY OF NORTHWEST ARKANSAS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

1. Summary of Significant Accounting Policies (continued)

n. Compensated absences

Employees earn vacation and sick pay in varying amounts based upon length of service with the Organization. Employees can carryforward a maximum of 60 unused sick and 5 unused vacation days from year to year. Upon termination from the Organization, employees are paid for all unused accumulated vacation. No unused accumulated sick pay is paid upon termination.

At June 30, 2016, the Organization had \$9,961 accrued for compensated absences

o. Advertising and Promotions

The Organization follows the policy of charging advertising and promotions to expense as incurred.

p. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts in the financial statements and notes to the financial statements. Actual results could differ from those estimates.

2. Federal Income Tax

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar section of Arkansas statutes. Accordingly, no provision or liability for federal or state income taxes has been included in the accompanying financial statements. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code.

Additionally, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A).

Generally accepted accounting principles require tax effects from an uncertain tax position to be recognized in the financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged. If an uncertain tax position meets the more-likely-than-not threshold, the largest amount of tax benefit that is greater than 50% likely to be recognized upon ultimate settlement with the taxing authority is recorded. The Organization's primary tax positions relate to its status as a not-for-profit entity exempt from income taxes and classification of activities related to its exempt purpose. Management has evaluated the tax positions reflected in the Organization's tax filings and does not believe that any material uncertain tax positions exist.

UNITED WAY OF NORTHWEST ARKANSAS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

2. Federal Income Tax (continued)

The Organization's tax returns are subject to possible examination by the taxing authorities. For federal income tax purposes, the Organization's tax years 2013 through 2015 remain open for possible examination by the Internal Revenue Service.

3. Cash Deposits

The Organization maintains its operating bank accounts in two local financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures accounts at each institution up to \$250,000. The Organization's cash balances may, at times, exceed these insured limits. At June 30, 2016, the Organization had uninsured deposits of \$355,928. The Organization does not believe that there is any significant risk associated with the concentrations of credit nor has the Organization experienced any losses in such accounts.

4. Investments

The Organization carries investments in marketable securities with readily determinable fair market values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities. The Organization's investments consist of the following:

June 30, 2016	Cost	Market Value	Unrealized Appreciation (Depreciation)
Agency Bonds	\$ 34,312	\$ 34,334	\$ 22
Corporate Bonds	393,936	410,511	16,575
Convertible Preferred	7,971	8,789	818
Common Stock	374,686	534,914	160,228
Mutual Funds	30,000	33,315	3,315
Unit Trusts	18,302	26,653	8,351
Pooled investments	98,618	140,339	41,721
Total	\$ 957,826	\$ 1,188,855	\$ 231,029

Investment expense is reflected on the statement of activities netted with investment interest and dividends. Investment expense for the year totaled \$9,892.

UNITED WAY OF NORTHWEST ARKANSAS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

5. Fair Value Measurements

Guidance provided by the FASB defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring a fair value, a fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy are described below:

Level 1 - Quoted prices in active markets for identical assets or liabilities as of the reporting date.

Level 2 - Pricing inputs other than quoted prices included in Level 1, which are either directly observable or that can be derived or supported from observable data as of the reporting date.

Level 3 - Pricing inputs include those that are significant to the fair value of the financial asset or financial liability and are generally less observable from objective sources. These inputs may be used with internally developed techniques that result in management's best estimate of fair value.

The asset's 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 maximize the use of observable inputs and minimize the use of unobservable inputs. The valuation methods used may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodologies used at June 30, 2016.

Fair Value Disclosures

The following tables represent the Organization's investments that are measured at fair value on a recurring basis:

June 30, 2016	Level 1	Level 2	Level 3	Total
Agency Bonds	\$ 34,334	\$ -	\$ -	\$ 34,334
Corporate Bonds	410,511	-	-	410,511
Convertible Preferred	8,789	-	-	8,789
Common Stock	534,914	-	-	534,914
Mutual Funds	33,315	-	-	33,315
Unit Trusts	26,653	-	-	26,653
Pooled investments	-	-	140,339	140,339
Total	\$ 1,048,516	\$ -	\$ 140,339	\$ 1,188,855

UNITED WAY OF NORTHWEST ARKANSAS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

6. Property, Plant, and Equipment

Activity of property, plant and equipment consists of the following:

	July 1, 2015	Additions	Retirements	June 30, 2016
Buildings and improvements	\$ 627,138	\$ -	\$ -	\$ 627,138
Furniture, fixtures, and equipment	270,618	-	140,958	129,660
Net property, plant and equipment	\$ 897,756	\$ -	\$ 140,958	\$ 756,798

7. Line of Credit

The Organization has an available line of credit for up to \$100,000 with Arvest Bank. The line of credit bears interest at 2.550% and is due for maturity/renewal on April 16, 2018. The balance on this line of credit was \$0 at June 30, 2016.

8. Operating Leases

The Organization leases warehouse space and various office equipment items under separate operating leases. Total lease expense was \$47,667 for the year ended June 30, 2016. Future minimum annual rental commitments under the non-cancellable operating leases at June 30, 2016 are as follows:

Year ending June 30,	
2017	\$ 46,383
2018	45,963
2019	16,713
2020	6,963
2021	5,011
Total	\$ 121,033

9. Related Party

The Organization pays annual dues to the United Way World Wide. Total dues for the fiscal year ended June 30, 2016 were \$37,086.

UNITED WAY OF NORTHWEST ARKANSAS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

10. In-Kind

The Organization received \$18,806,646, of in-kind donations during the year ended June 31, 2016. The majority of donations are provided by one supplier. The donations were for the following:

For the year ended June 30, 2016	
Supplies and products	\$ 18,791,225
Investment securities	15,421
Total in-kind donations	\$ 18,806,646

11. Concentrations

The Organization received pledges from two employers that represent approximately 39% of total campaign revenues during the fiscal year ended June 30, 2016. These pledges include both the individual employee and the employer company matching contribution. Pledges receivable from these two employers approximate 47% of pledges receivable at June 30, 2016.

12. Retirement Plan

The Organization has adopted a 401(k) profit sharing plan for its employees. All employees at least twenty-one years of age having completed one year of service are eligible to participate. Employees must have at least two years of service to receive employer matching contributions. The Organization makes a 4% matching contribution of eligible employee salary deferrals annually, and may, at its discretion, contribute an additional profit sharing amount. For the year ended June 30, 2016, the Organization made a contribution of \$3,974 to the plan.

13. Risks and Uncertainties

The Organization conducts its operations in the Northwest Arkansas and Northeast Oklahoma regions, and therefore, is subject to risks from the changes in local economic conditions. A downturn in the local economy could cause a decrease in contributions and collections of pledges receivable concurrently with an increase in community need for the Organization's services.

Investment securities are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with certain investment securities, and the level of uncertainty related to changes in the fair value of investment securities, it is at least reasonably possible that changes in the risks in the near term could materially affect the net assets of the Organization. The Organization has an investment policy in place to help mitigate any such risk.

UNITED WAY OF NORTHWEST ARKANSAS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

14. Subsequent Events

In accordance with ASC 855, Subsequent Events, the Organization evaluates events or transactions that occur subsequent to year end for potential recognition or disclosure in the financial statements through the date on which the financial statements are available to be issued. The financial statements were approved by management and available to be issued on February 16, 2017.

SUPPLEMENTAL INFORMATION

UNITED WAY OF NORTHWEST ARKANSAS, INC.

SCHEDULE OF ALLOCATIONS, DESIGNATIONS, AND OTHER DISTRIBUTIONS

FOR THE YEAR ENDED JUNE 30, 2016

American Red Cross, NWA Chapter	\$	25,304
Apple Seeds		24,000
Area Agency on Aging		16,620
Arkansas Children's Hospital		353
Arkansas Crisis Center		15,662
Arkansas Support Network, Inc.		19,197
Bella Vista Courtesy Van		3,193
Benton County 4-H Foundation		4,661
Bentonville Schools, Child Enrichment Services		26,199
Big Brothers, Big Sisters of Northwest Arkansas		97,278
Boy Scouts of Westark		6,889
Boys & Girls Club of Benton County		98,225
Boys & Girls Club of Western Benton County		51,965
Breastfeeding Outreach for Greater Washington		93
CASA of Northwest Arkansas		38,416
Centered Around Christ, Inc.		277
Children's Advocacy Center		23,126
Children's Home, Inc.		121
City of Springdale, Parks and Recreation		1,090
Community Clinic at St. Francis House		137,374
Compassion Ministries		7,650
Credit Counseling Of Arkansas		2,222
Decatur Sports Program		139
Decision Point		112
Delta Gamma Foundation		279
Dogwood Literacy Council		2,886
Dolly Parton Imagination Library		186
Donald W. Reynolds Boys & Girls Club		33,181
Early Childhood Center (Springdale Schools)		70,000
Elizabeth Richardson Center		15,311
EOA Children's House		57,370
EOA Head Start		9,701
EOA of Washington County		26,000
Faith in Action		5,546
Family Network		9,940
Fayetteville Youth Dental Program		393
Fayetteville Senior Activity		46
Genesis House		9,577
Girl Scouts Diamonds of AR, OK, & TX		13,786
Girl Scouts of AR & TX		1,804
Global Impact		469

See independent auditor's report.

UNITED WAY OF NORTHWEST ARKANSAS, INC.

SCHEDULE OF ALLOCATIONS, DESIGNATIONS, AND OTHER DISTRIBUTIONS

FOR THE YEAR ENDED JUNE 30, 2016

Gravette High School	\$	12,000
Greater Twin Cities United Way		684
Havenwood - Comm. Dev. Corp.		15,002
Heart of Arkansas		208
Helen R. Walton Enrichment Center		31,184
Humane Society		47
Idaho Humane Society		2,344
Jones Elementary (Springdale Schools)		24,000
Joplin Humane Society		121
Lafayette House		140
Lake Area United Way		179
Legal Aid of Arkansas		83,206
Leukemia Society, Gateway Chapter		1,116
Life Source, International		37
Life Styles, Inc.		30,708
Lincoln Childcare Center		24
Lincoln Consolidated Schools		100,000
Literacy Council of Benton County		9,861
Loving Choices Pregnancy Centers of NWA		300
Madison County 4-H		2,109
Manna Center		12,389
McDonald Co		18,681
Meals on Wheels of Rogers		50
NPR Foundation		279
NWA Children's Shelter		41,067
NWA Economic Development District		320
NWA Food Bank		38,847
NWA Free Health Clinic		18,161
NWA Head Start		10,510
NWA Rape Crisis Center		10,699
NWA Women's Shelter		29,381
Office of Human Concern		20,934
Open Avenues (ADC)		26,384
Ozark Guidance		521
Ozark Literacy Council		11,176
Peace at Home Family Shelter		116,725
Peace Kids Learning Center		653
Rebuilding Together of NWA		121
Restoration Ministries		32,969
Rogers Activity Center		18,209

See independent auditor's report.

UNITED WAY OF NORTHWEST ARKANSAS, INC.

SCHEDULE OF ALLOCATIONS, DESIGNATIONS, AND OTHER DISTRIBUTIONS

FOR THE YEAR ENDED JUNE 30, 2016

Salvation Army, NWA Command	\$	54,387
Samaritan Community Center		100,681
SCI Can Foundation		158
Seven Hills Homeless Center		15,604
Siloam Springs Adult Development		5,728
Single Parent Scholarship - Benton County		16,922
Single Parent Scholarship of NWA		18,656
SOURCES		3,988
Sunshine School & Development Center		26,852
Teen Action & Support Center		29,702
Trulaske College of Business		8,370
United Way of Adair County		4,001
United Way of Delaware County		1,557
United Way of Fort Smith		4,266
United Way of Gentry		179
United Way of Metro Dallas		242
United Way of Northeast Arkansas		33
United Way of San Diego County		121
University of Arkansas Dept. of Music		446
University of Arkansas Foundation		386
University of Arkansas Razorback Foundation		123
Village House, Inc.		4,715
Washington Animal Rescue League		93
Washington Regional Faith in Action		7,034
Welcome Health		400
Youth Bridge		44,297
Youth Strategies		5,372
Other designations		8,352
Total Allocations/Awards		1,940,649
Less Donor Designations		(296,019)
Net Allocations/Awards	\$	1,644,630

See independent auditor's report.