UNITED WAY OF NORTHWEST ARKANSAS, INC. JUNE 30, 2015 AND 2014 CONTENTS

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INDEPENDENT AUDITORS' REPORT

Board of Directors

United Way of Northwest Arkansas, Inc.

Lowell, Arkansas

Report on the Financial Statements

We have audited the accompanying financial statements of **United Way of Northwest Arkansas, Inc.**, which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 auditors consider 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 Northwest Arkansas, Inc.** as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of allocations and grants paid to affiliated agencies 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.

Beall Barclay & Company, PLC

BEALL BARCLAY & COMPANY, PLCCertified Public Accountants

Rogers, Arkansas February 11, 2016

UNITED WAY OF NORTHWEST ARKANSAS, INC. STATEMENTS OF FINANCIAL POSITION JUNE 30, 2015 AND 2014

	2015	2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 713,650	\$ 111,680
Certificates of deposit	589,018	692,789
Pledges receivable, net of allowance for uncollectible		
pledges of \$668,971 and \$603,237, respectively	1,320,352	1,572,709
Inventory	559,946	1,085,945
Prepaid expenses	4,563	5,635
Total Current Assets	3,187,529	3,468,758
PROPERTY AND EQUIPMENT		
Building and improvements	627,137	627,137
Furniture, fixtures, and equipment	270,619	270,619
	897,756	897,756
Less accumulated depreciation	367,408	333,898
	530,348	563,858
OTHER ASSETS		
Land	119,000	119,000
Investments	1,227,646	1,245,463
#1700d1101100	1,221,010	1,2 10, 100
Total Other Assets	1,346,646	1,364,463
TOTAL ASSETS	\$ 5,064,523	\$ 5,397,079

2015 2014

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Allocations payable to agencies	\$ 2,299,991	\$ 2,342,876
Line of credit	-	100,000
Accounts payable	31,961	1,734
Accrued payroll	90,122	30,082
Other accrued expenses	49,935	21,930
Total Current Liabilities	2,472,009	2,496,622

NET ASSETS

 Unrestricted
 2,592,514
 2,900,457

 TOTAL LIABILITIES AND NET ASSETS
 \$ 5,064,523
 \$ 5,397,079

UNITED WAY OF NORTHWEST ARKANSAS, INC. STATEMENTS OF ACTIVITIES YEARS ENDED JUNE 30, 2015 AND 2014

	2015				
		Temporarily			
	<u>Unrestricted</u>	Restricted	<u>Total</u>		
REVENUES, GAINS, AND OTHER SUPPORT					
Public support Current year United Way campaign In-kind donations Grant income Provision for uncollectible pledges Amounts designated for other organizations	\$ 3,739,226 14,865,616 69,300 (259,690) (258,657)	\$ - - - -	\$ 3,739,226 14,865,616 69,300 (259,690) (258,657)		
NET ASSESTS RELEASED FROM RESTRICTIONS Satisfaction of donor restrictions					
Net public support revenue	18,155,795	-	18,155,795		
Membership fees Investment return Other	129,315 81,442 60,930	- - -	129,315 81,442 60,930		
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	18,427,482		18,427,482		
ALLOCATIONS, EXPENSES, AND LOS Program services	SSES				
Allocations and grants 211 Gifts in-kind Support Services	2,261,705 84,451 15,649,394	- - -	2,261,705 84,451 15,649,394		
Management and general Fundraising	584,241 155,634	<u> </u>	584,241 155,634		
TOTAL ALLOCATIONS AND EXPENSES	18,735,425		18,735,425		
CHANGE IN NET ASSETS	(307,943)	-	(307,943)		
NET ASSETS, BEGINNING OF YEAR	2,900,457		2,900,457		
NET ASSETS, END OF YEAR	\$ 2,592,514	\$ -	\$ 2,592,514		

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	Z014 Temporarily	
Unrestricted	Restricted	<u>Total</u>
Ф 2 025 C4C	φ	Ф 2025 040
\$ 3,825,646 10,078,876	\$ - -	\$ 3,825,646 10,078,876
-	42,000	42,000
(264,887)	-	(264,887)
(253,675)	-	(253,675)
42,000	(42,000)_	
13,427,960	_	13,427,960
87,701	_	87,701
156,090	-	156,090
35,401		35,401
13,707,152		13,707,152
2,206,678	_	2,206,678
91,541	-	91,541
10,453,340	-	10,453,340
636,711	-	636,711
111,117_		111,117
13,499,387		13,499,387
207,765	-	207,765
2,692,692		2,692,692
\$ 2,900,457	\$ -	\$ 2,900,457
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UNITED WAY OF NORTHWEST ARKANSAS, INC. STATEMENTS OF FUNCTIONAL EXPENSES YEARS ENDED JUNE 30, 2015 AND 2014

2015

	PROGRAM				SUPPORT SERVICES													
	ALLOCATIONS AND GRANTS												GIFTS IN - <u>KIND</u>	MANAGEMENT AND GENERAL		FUNDRAISING		<u>TOTAL</u>
Allocations and grants	\$	2,096,195	\$	-	\$ 15,391,615	\$	-	\$	-	\$ 17,487,810								
Continuing education		-		-	-		9,321		-	9,321								
Depreciation		-		-	-		33,510		-	33,510								
Dues and subscriptions		-		-	-		3,194		-	3,194								
Insurance		-		-	-		10,267		-	10,267								
Investment fees		-		-	-		3,391		-	3,391								
Maintenance and repairs		-		-	19,738		979		-	20,717								
Marketing		885		1,180	-		295		3,541	5,901								
Miscellaneous		-		-	149		52,657		-	52,806								
Office supplies and expense		-		-	317		11,580		-	11,897								
Other expenses - 211 project		-		73,437	-		-		-	73,437								
Postage		-		-	-		8,855		-	8,855								
Printing		-		-	-		17,943		-	17,943								
Professional fees		-		-	-		80,726		-	80,726								
Rent expense		-		-	39,000		9,975		-	48,975								
Salaries, payroll taxes and benefits		164,625		-	193,910		220,654		152,093	731,282								
Special events		-		-	90		34,249		-	34,339								
Taxes		-		-	-		1,964		-	1,964								
Travel		-		-	311		9,911		-	10,222								
United Way of America		-		-	-		33,594		-	33,594								
Utilities and telephone		-		9,834	1,962		13,245		-	25,041								
Website		<u>-</u>			2,302		27,931			30,233								
	\$	2,261,705	\$	84,451	\$ 15,649,394	\$	584,241	\$	155,634	\$ 18,735,425								

2014

	PROGRAM				SUPPORT					
		OCATIONS D GRANTS	<u>2</u>	<u>211 </u>	GIFTS IN - <u>KIND</u>		NAGEMENT D GENERAL	FUN	IDRAISING	TOTAL
Allocations and grants	\$	2,145,223	\$	-	\$ 10,241,962	\$	-	\$	-	\$ 12,387,185
Continuing education		-		-	127		26,399		-	26,526
Depreciation		-		-	-		33,705		-	33,705
Dues and subscriptions		-		-	-		3,788		-	3,788
Impairment loss		-		-	-		12,361		-	12,361
Insurance		-		-	-		4,602		-	4,602
Investment fees		-		-	-		5,654		-	5,654
Maintenance and repairs		-		-	4,560		401		4,813	9,774
Marketing		1,203		1,604	-		27,994		-	30,801
Miscellaneous		-		-	1,947		10,041		-	11,988
Office supplies and expense		-		-	-		92		-	92
Other expenses - 211 project		-	6	88,640	-		-		-	68,640
Postage		-		-	-		8,070		-	8,070
Printing		-		-	-		11,772		-	11,772
Professional fees		-		-	-		44,075		-	44,075
Rent expense		-		-	50,303		8,942		-	59,245
Salaries, payroll taxes and benefits		60,252		8,808	150,527		341,760		106,304	667,651
Special events		-		-	-		17,926		-	17,926
Taxes		-		-	-		2,495		-	2,495
Travel		-		258	48		15,702		-	16,008
United Way of America		-		-	-		38,671		-	38,671
Utilities and telephone		-	1	12,231	2,522		9,688		-	24,441
Web site					1,344	_	12,573			13,917
	\$	2,206,678	\$ 9	91,541	\$ 10,453,340	\$	636,711	\$	111,117	\$ 13,499,387

UNITED WAY OF NORTHWEST ARKANSAS, INC. STATEMENTS OF ACTIVITIES YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (307,943)	\$ 207,765
Adjustments to reconcile change in net assets to	Ψ (307,943)	Ψ 201,103
net cash from (used for) operating activities:		
Depreciation	33,510	33,705
Allowance for uncollectible pledges	65,734	(28,689)
Realized (gain) on sale of investments	(86,489)	(37,558)
Change in unrealized (gain) loss on investments	35,083	(88,463)
Change in:	33,333	(55, 155)
Pledges receivable	186,623	21,357
Inventory	525,999	163,086
Prepaid expenses	1,072	(2,940)
Allocations payable to agencies	(42,885)	(495,586)
Accounts payable	30,227	(5,866)
Accrued payroll	60,040	(5,623)
Other accrued expenses	28,005	2,394
Total adjustments	836,919	(444,183)
Net Cash From (Used For) Operating Activities	528,976	(236,418)
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in certificates of deposit	103,771	(5,667)
Proceeds from sale of investments	123,682	130,391
Purchases of investments	(54,459)	(58,826)
Net Cash From Investing Activities	172,994	65,898
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit	-	300,000
Repayment of line of credit	(100,000)	(200,000)
Net Cash From (Used For) Financing Activities	(100,000)	100,000
NET CHANGE IN CASH AND CASH EQUIVALENTS	601,970	(70,520)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	111,680	182,200
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 713,650	\$ 111,680

SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash Activity Donated products received Donated products distributed	\$ 14,865,616 15,391,615	\$ 10,078,876 10,241,962
Direct Analysis of Cash Flows from Operating Activities Cash received from contibutors, grants and other sources Cash paid for allocations and grants Cash paid to employees and suppliers	\$ 3,814,223 (2,042,212) (1,243,035)	\$ 3,620,944 (2,702,264) (1,155,098)
	\$ 528,976	\$ (236,418)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

United Way of Northwest Arkansas, Inc., ("the Organization") is a nonprofit organization that seeks to unite communities to empower people and improve lives. Direct funding for the Organization is received from individual and corporate donors throughout Northwest Arkansas. The Organization has a volunteer board of directors and operates out of its headquarters in Lowell, Arkansas.

Basis of Accounting

The Organization's policy is to prepare its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized in the period in which they are earned. Expenses are recognized in the period in which they are incurred.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Codification Topic *Not-for-Profit Entities*. Under this Topic, 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.

Property and Equipment

The Organization capitalizes all expenditures for property and equipment in excess of \$500. Property and equipment is stated at cost or at estimated fair value at date of gift, if donated. Depreciation of property and equipment is computed on the straight-line method over the estimated useful lives of the assets, which range from three to forty years.

Long-Lived Assets

FASB Codification Topic *Property, Plant and Equipment*, Section *Subsequent Measurement* requires that long-lived assets and certain identifiable intangibles held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. At June 30, 2015 and 2014, the Organization had no cash equivalents.

Certificates of Deposit

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Pledges Receivable

Pledges receivable and unconditional promises to give that are to be received in less than one year are recorded at face value because of their short maturity and are stated net of an allowance for uncollectible pledges. The Organization's provision for uncollectible receivables is 7% of current year contributions. As of June 30, 2015 and 2014, the Organization had no pledges receivable or unconditional promises to give to be received in more than one year.

Contributions

Gifts of cash and other assets are recorded as unrestricted, temporarily restricted, or permanently restricted net assets, depending on the absence or existence and nature of any donor restrictions. Contributions are presented as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

Gifts of land, buildings, and equipment are presented as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributed services which increase non-financial assets such as property or inventory, as well as services contributed by individuals with specialized skills which would have otherwise been purchased, are reported as unrestricted support. Other contributed services that enhance the Organization's programs, but are not so essential that they would otherwise be purchased, are not recorded as support.

Inventory and In-kind Contributions

In addition to receiving cash contributions, the Organization receives in-kind contributions of products and supplies from various donors. The products and supplies are distributed to various qualified organizations and individuals. Inventory consists of donated materials and nonperishable goods. Inventory is valued at estimated fair value determined by the average value of all materials donated during the year. Donated materials are recorded at estimated fair market value on date of donation. These materials amounted to \$14,865,616 and \$10,078,876 for the years ended June 30, 2015 and 2014, respectively. The majority of donations of these materials are facilitated through one company.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Agency transactions

The Organization allows donors to designate their contributions to a specific agency other than the Organization. In accordance with FASB Codification Topic Contributions, these donor-designated contributions are reflected as a receivable and liability at the time the contributions are pledged. The subsequent donor collection and distribution to the specific organization is a reduction of the corresponding receivable and liability. This liability is included in the "Allocations payable to agencies" on the Statements of Financial Position. These donor designated contributions are included in "Current year United Way campaign" which is then offset by the amount reported as "amounts designated for other organizations" to arrive at the net public support revenue in the Statements of Activities.

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

Functional Allocation of Expenses

The Organization allocates its expenses to the program or supporting service benefited on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification.

Subsequent Events

Subsequent events are evaluated through the date the financial statements were available to be issued, which is the date of the Independent Auditors' Report.

Advertising and Promotions

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

Investments

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments held by the Organization, and the related earnings, are used for the purpose of supporting ongoing operations and to maintain reserves for any future decreases in contributions or other community services. Investments are overseen by a committee of the Board of Directors. See Note 3 for discussion of fair value measurements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Investments-Continued

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Gains and losses on market value adjustments are recognized as the market fluctuates. Contributions of investments are recorded at fair market value on the date of donation.

Investment income and gains that are initially restricted by donor stipulation and for which the restriction will be satisfied in the same year are included in unrestricted net assets. Other investment income and gains and losses are reflected in the Statements of Activities as unrestricted, temporarily restricted or permanently restricted based upon the existence and nature of any donor or legally imposed restrictions.

Income Taxes and Uncertain Tax Positions

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar state statute. Consequently, no provision for income taxes is reflected in the accompanying financial statements. Additionally, the Organization has been classified as an organization that is not a private foundation under Section 509(a).

The Organization accounts for uncertain tax positions in accordance with the provisions of FASB Codification Topic *Income Taxes*. FASB Codification Topic *Income Taxes* clarifies the accounting for uncertainty in income taxes and requires the Organization to recognize in their financial statements the impact of a tax position taken or expected to be taken in a tax return, if that position is more likely than not to be sustained under audit, based on the technical merits of the position. Management has assessed the tax positions of the Organization and determined that no positions exist that require adjustment or disclosure under the provisions of FASB Codification Topic *Income Taxes*.

The Organization files informational "Return of Organization Exempt from Income Tax" (Form 990) in the U.S. Federal jurisdiction and Arkansas.

Reclassification

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

NOTE 2: INVESTMENTS

Investments are stated at fair value. Fair values and unrealized appreciation (depreciation) at June 30, 2015 and 2014 are summarized as follows:

		Cost		2015 Fair Value	Apı	nrealized preciation preciation)
Corporate debentures Mutual funds Corporate stock Government bonds Unit trusts Pooled investments	\$	281,967 30,000 368,501 197,538 18,302 100,000	\$	296,629 39,689 523,709 194,339 28,770 144,510	\$	14,662 9,689 155,208 (3,199) 10,468 44,510
	\$	996,308	\$ 1	1,227,646	\$	231,338
				2014		
		Cost		Fair Value	Apı	nrealized preciation preciation)
Corporate debentures Mutual funds Corporate stock Government bonds Unit trusts Pooled investments	\$	286,315 30,000 346,880 197,545 18,302 100,000	\$	304,316 43,579 529,039 191,014 29,322 148,193	\$	18,001 13,579 182,159 (6,531) 11,020 48,193
	\$	979,042	\$ 1	1,245,463	\$	266,421

The following schedule summarizes the investment return and its classification in the Statements of Activities for the years ended June 30, 2015 and 2014.

	2015	2014
Interest and dividend income	\$ 30,036	\$ 30,069
Net unrealized gain (loss) on investments	(35,083)	88,463
Realized gain on investments	86,489	37,558
	\$ 81,442	\$156,090

NOTE 3: FAIR VALUE MEASUREMENTS

FASB Codification Topic Fair Value Measurements and Disclosures establishes a 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 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). If the inputs used to measure the investments fall within different levels of the hierarchy, the categorization is based on the lowest level of input that is significant to the fair value measurement of the investment.

Investments recorded in the Statements of Financial Position based on the inputs to valuation techniques are as follows:

- Level 1 These are investments where values are based on unadjusted quoted prices for identical assets in an active market that the Organization has the ability to access.
- Level 2 These are investments where values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the investments.
- Level 3 These are investments where values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect assumptions of management about assumptions market participants would use in pricing the investments.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2015 and 2014.

- Corporate debentures: Valued at the quoted market price of corporate bonds held by the Organization at year-end.
- Mutual funds: Valued at the net asset value (NAV) of shares held by the Organization at year-end.
- Corporate stock: Valued at the quoted market price of shares held by the Organization at year-end.
- Government bonds: Valued at the quoted market price of bonds held by the Organization at year-end.
- *Unit trusts:* Valued at the NAV of shares held by the Organization at year-end.
- Endowment fund pool: Valued at weighted average percent of investment held in the NAV of the total pool.

NOTE 3: FAIR VALUE MEASUREMENTS - CONTINUED

The preceding methods described may produce a fair value calculation that may not be indicative of 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.

The following tables present the Organization's hierarchy for the investments measured at fair value on a recurring basis as of June 30, 2015 and 2014:

June 30, 2015	Quoted Market Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Corporate debentures Mutual funds Corporate stock Government bonds Unit trusts Endowment fund pool	\$ 296,629 39,689 523,708 194,339 28,770	\$ - - - - -	\$ 144,510
	\$ 1,083,135	\$ -	\$ 144,510
June 30, 2014			
Corporate debentures Mutual funds Corporate stock Government bonds Unit trusts Endowment fund pool	\$ 304,316 43,579 529,039 191,014 29,322	\$ - - - - - -	\$ - - - - 148,193
	\$ 1,097,270	\$ -	\$ 148,193

The following table sets forth a summary of changes in the fair value of the Organization's Level 3 investment asset - endowment fund pool for the years ended June 30, 2015 and 2014.

NOTE 3: FAIR VALUE MEASUREMENTS - CONTINUED

	2015	2014
Balance, beginning Change in unrealized gains Realized gains Funds released	\$ 148,193 (3,683) - -	\$ 164,661 14,780 1,524 (32,772)
Balance, ending	\$ 144,510	\$ 148,193

NOTE 4: FINANCIAL INSTRUMENTS WITH RISK OF ACCOUNTING LOSS

The Organization uses financial institutions in which it maintains cash balances, which at times may exceed Federally insured limits. At June 30, 2015, the Organization had uninsured cash balances of \$426,060. Cash balances include "Cash and cash equivalents" and "Certificates of deposit" on the Statements of Financial Position.

At June 30, 2015 and 2014, the Organization had investments of \$1,227,646 and \$1,245,463, respectively, which are subject to market risk.

NOTE 5: CONCENTRATIONS

The Organization had cash contributions related to two employers that amounted to approximately 37% of United Way campaign contributions received during the years ended June 30, 2015 and 2014. Contributions from one of these employers are 50% from the individual employees and 50% company matching contributions. Pledges receivable from these two employers and their employees amounted to approximately 48% and 47% of total pledges receivable at June 30, 2015 and 2014, respectively.

NOTE 6: RETIREMENT PLAN

The Organization has a 401(k) profit sharing plan, which covers all employees who have completed one year of service and have attained age 21. For matching contributions, employees are eligible to participate in the plan after completing two years of service. Employer contributions to the plan are up to 4% of eligible employee salary deferrals made annually. The employer's contributions totaled \$11,024 and \$17,541 for the years ended June 30, 2015 and 2014, respectively.

NOTE 7: PLEDGES RECEIVABLE

Pledges receivable represent contributions pledged and unconditional promises to give that have not been collected. The pledges are from various individuals and business entities in the community and by their nature represent an intent to contribute at a later date.

NOTE 7: PLEDGES RECEIVABLE - CONTINUED

At June 30, 2015 and 2014, pledges receivable were due as follows:

	2015	2014
Less than one year Less allowance for uncollectible pledges	\$1,989,323 (668,971)	\$2,175,946 (603,237)
	\$1,320,352	\$1,572,709

NOTE 8: OPERATING LEASES

The Organization leases office equipment and warehouse space under one to five year operating leases. During the years ended June 30, 2015 and 2014, rental expense for operating leases was \$48,975 and \$59,245, respectively.

Future minimum lease payments for each of the next four periods subsequent to June 30, 2015 are as follows:

Years ending June 30, 2016	\$ 43,572
June 30, 2017	39,000
June 30, 2018	39,000
June 30, 2019	9,750

NOTE 9: RELATED PARTY TRANSACTIONS

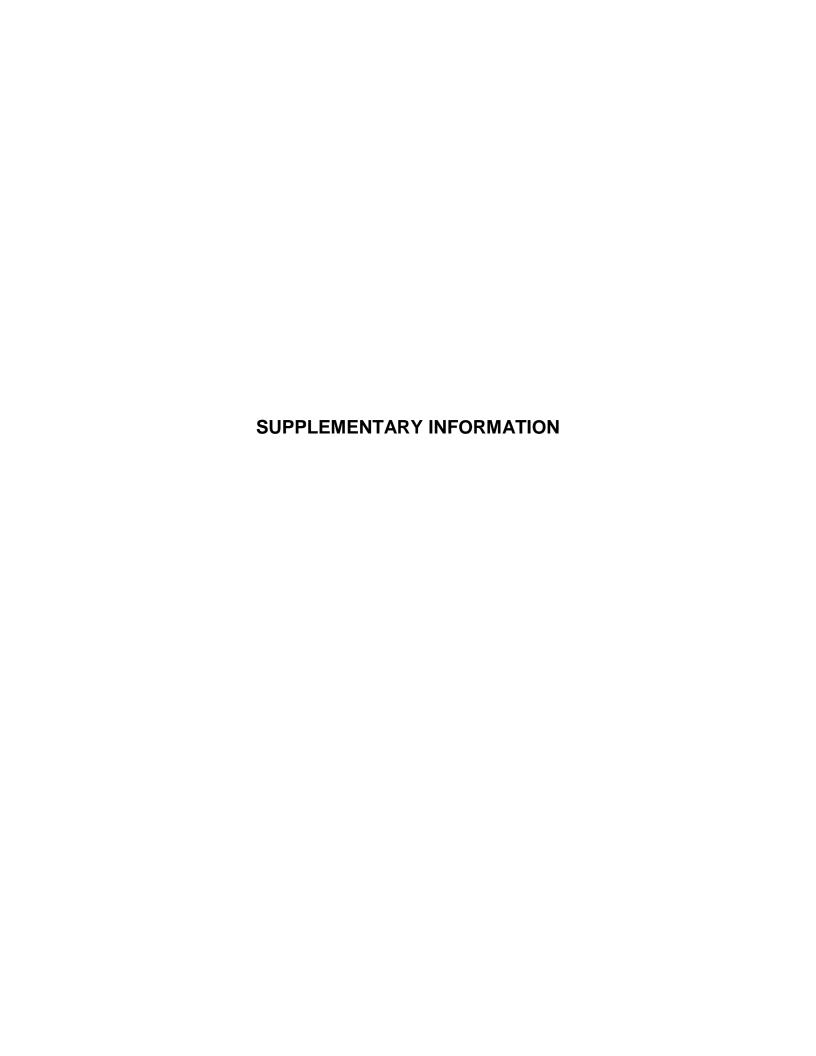
The Organization pays a membership fee to the United Way World Wide for yearly dues. The total fee incurred for the years ended June 30, 2015 and 2014 was \$33,594 and \$38,671, respectively. The amount due to the United Way World Wide at year-end June 30, 2015 and 2014 was \$17,739 and \$19,030, respectively, and is included in other accrued expenses on the Statements of Financial Position.

NOTE 10: TEMPORARILY RESTRICTED NET ASSETS

During the years ended June 30, 2015 and 2014, the Organization received grants of \$69,300 and \$42,000, respectively, with purposes restrictions. All of these funds were used for their restricted purpose and released from temporarily restricted net assets during the years ended June 30, 2015 and 2014.

NOTE 11: LINE OF CREDIT

During the year ended June 30, 2014, the Organization established a \$100,000 line of credit agreement with a bank with an interest rate of 2.55%, expiring on April 16, 2016. Borrowings on the line of credit are secured by a certificate of deposit. As of June 30, 2015 and 2014, there was a \$-0- and \$100,000, respectively, outstanding balance on the line of credit. Interest incurred and paid for the years ended June 30, 2015 and 2014, was approximately \$500 each year.



UNITED WAY OF NORTHWEST ARKANSAS, INC. SCHEDULE OF ALLOCATIONS AND GRANTS PAID TO AFFILIATED AGENCIES YEAR ENDED JUNE 30, 2015

Education \$ 741,461

Arkansas Support Network

Benton County 4-H

Bentonville Schools, Building Bridges

Big Brothers/Big Sisters

Boy Scouts/Westark Council

Boys & Girls Club of Benton County

Boys & Girls Club of West Benton Co.

City of Springdale-Youth Center

Donald W. Reynolds Boys & Girls Club

Elizabeth Richardson Center

EOA Head Start

Family Network

Girl Scouts

Helen Walton Children's Center

Madison County 4-H

NWA Head Start

Rogers Activity Center

Salvation Army

Teen Action & Support Center

Youth Strategies

Health 699,986

Arkansas Crisis Center

Bella Vista Courtesy Van

Benton County Sunshine School

CASA

Children's Advocacy Center

Community Clinic

Compassion Ministries

EOA Children's House

Fayetteville Youth Dental

Life Styles

NWA Children's Shelter

NWA Free Health Clinic

UNITED WAY OF NORTHWEST ARKANSAS, INC. SCHEDULE OF ALLOCATIONS AND GRANTS PAID TO AFFILIATED AGENCIES YEAR ENDED JUNE 30, 2015

Health - Continued

NWA Rape Crisis Center

NWA Women's Shelter

NWAEDD

OHC - Senior Centers

Peace at Home Family Shelter

Rebuilding Together

Village House

Washington Reg. Faith in Action

Income 600,765

American Red Cross

CCOA

Dogwood Literacy Council

Genesis House

Goodwill Industries of Arkansas

Havenwood

Legal Aid

Literacy Council of Benton County

Manna Center

Northwest Arkansas Food Bank

Open Avenues (ADC)

Ozark Literacy

Restoration Ministries

Samaritan Community Center

Seven Hills

Siloam Springs Adult Dev. Center

Single Parent Schol. of Benton Co.

Single Parent Schol. of NWA

SOURCES

Youth Bridge

Total allocations and grants paid to affiliated agencies

\$2,042,212