

UNITED WAY OF NORTHWEST ARKANSAS, INC.

JUNE 30, 2018

CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENT	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7
SUPPLEMENTARY INFORMATION	
Schedule of Allocations and Grants Paid to Affiliated Agencies	16



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 statement of financial position as of June 30, 2018, and the related statement 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 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, 2018, 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.

Other Matter

Our audit was 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.

Landmark PLC

**LANDMARK PLC
CERTIFIED PUBLIC ACCOUNTANTS**

Rogers, Arkansas
October 5, 2018

UNITED WAY OF NORTHWEST ARKANSAS, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 1,163,216	
Certificates of deposit	747,702	
Pledges receivable, net of allowance for uncollectible pledges of \$59,012	750,276	
Other receivables	5,000	
Prepaid expenses	<u>2,837</u>	
Total Current Assets		\$ 2,669,031

PROPERTY AND EQUIPMENT

Building and improvements	627,138	
Furniture, fixtures, and equipment	<u>88,671</u>	
	715,809	
Less accumulated depreciation	<u>249,539</u>	466,270

OTHER ASSETS

Investments		<u>771,611</u>
-------------	--	----------------

TOTAL ASSETS

\$ 3,906,912

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Allocations payable to agencies	\$ 1,447,200	
Designations payable	102,029	
Accounts payable	5,011	
Accrued expenses	65,058	
Current portion of capital lease payable	<u>1,551</u>	
Total Current Liabilities		\$ 1,620,849

LONG-TERM LIABILITIES

Capital lease payable, less current portion		<u>4,249</u>
Total Liabilities		1,625,098

NET ASSETS

Without donor restrictions	2,212,431	
With donor restrictions	<u>69,383</u>	
Total net assets		<u>2,281,814</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 3,906,912

See Independent Auditors' Report and Notes to Financial Statements.

UNITED WAY OF NORTHWEST ARKANSAS, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Public support			
Current year United Way campaign	\$ 1,798,045	\$ -	\$ 1,798,045
In-kind donations	4,324,563	-	4,324,563
Resource development	616,627	105,000	721,627
Provision for uncollectible pledges	(113,121)	-	(113,121)
Amounts designated for other organizations	(99,389)	-	(99,389)
	<hr/>	<hr/>	<hr/>
Net public support	6,526,725	105,000	6,631,725
Special events	48,609	-	48,609
Membership fees	68,686	-	68,686
Investment income, net	135,161	-	135,161
Other income	21,544	-	21,544
Net assets released from restrictions	144,560	(144,560)	-
	<hr/>	<hr/>	<hr/>
Total Support and Revenue	6,945,285	(39,560)	6,905,725
ALLOCATIONS AND EXPENSES			
Program services			
CLIP	1,544,534	-	1,544,534
GIK - Warehouse	4,453,329	-	4,453,329
Community impact	214,738	-	214,738
211	101,723	-	101,723
Volunteer tax	82,549	-	82,549
Other programs	303,374	-	303,374
Management and general	221,013	-	221,013
Fundraising	369,288	-	369,288
	<hr/>	<hr/>	<hr/>
TOTAL ALLOCATIONS AND EXPENSES	<hr/> 7,290,548	<hr/> -	<hr/> 7,290,548
CHANGE IN NET ASSETS	(345,263)	(39,560)	(384,823)
NET ASSETS, BEGINNING OF YEAR	<hr/> 2,557,694	<hr/> 108,943	<hr/> 2,666,637
NET ASSETS, END OF YEAR	<hr/> <u>\$ 2,212,431</u>	<hr/> <u>\$ 69,383</u>	<hr/> <u>\$ 2,281,814</u>

See Independent Auditors' Report and Notes to Financial Statements.

UNITED WAY OF NORTHWEST ARKANSAS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2018

	<u>PROGRAM</u>						<u>SUPPORT SERVICES</u>			
	<u>CLIP</u>	<u>GIK - WAREHOUSE</u>	<u>COMMUNITY IMPACT</u>	<u>211</u>	<u>VOLUNTEER TAX</u>	<u>OTHER PROGRAMS</u>	<u>TOTAL PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,216	\$ -	\$ 33,216
Direct services	209	-	-	22,764	49,300	124,655	196,928	-	20,875	217,803
Dues and subscriptions	-	6,806	7,038	410	-	35	14,289	7,065	9,750	31,104
Grants paid	1,484,644	-	-	-	-	-	1,484,644	-	-	1,484,644
Information technology	492	12,637	17,945	5,901	529	615	38,119	17,056	34,097	89,272
In-kind	-	4,243,669	-	-	-	2,554	4,246,223	-	78,340	4,324,563
Marketing	365	-	-	77	-	4,861	5,303	-	9,501	14,804
Miscellaneous	-	83	-	-	-	-	83	2,585	5,109	7,777
Occupancy	-	41,240	6,933	-	-	-	48,173	7,310	9,244	64,727
Office administration	898	710	1,313	1,045	-	4,108	8,074	3,637	1,652	13,363
Professional fees	-	5,250	5,250	-	-	-	10,500	6,459	7,076	24,035
Salaries, employee benefits, and payroll taxes	57,175	140,857	175,706	68,200	26,736	164,893	633,567	140,743	161,264	935,574
Special events	-	-	-	-	-	310	310	9	27,168	27,487
Travel and training	751	2,077	553	3,326	5,984	1,343	14,034	2,933	5,212	22,179
	<u>\$ 1,544,534</u>	<u>\$ 4,453,329</u>	<u>\$ 214,738</u>	<u>\$ 101,723</u>	<u>\$ 82,549</u>	<u>\$ 303,374</u>	<u>\$ 6,700,247</u>	<u>\$ 221,013</u>	<u>\$ 369,288</u>	<u>\$ 7,290,548</u>

UNITED WAY OF NORTHWEST ARKANSAS, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets		<u>\$ (384,823)</u>
Adjustments to reconcile change in net assets to net cash (used for) operating activities:		
Depreciation	\$ 33,216	
Allowance for uncollectible pledges	(21,019)	
Realized (gain) on sale of investments	(27,386)	
Change in unrealized (gain) on investments	(113,553)	
Change in:		
Pledges receivable	330,981	
Other receivables	73,575	
Prepaid expenses	(2,837)	
Grants, allocations, and distributions payable	(961)	
Designations payable	(55,009)	
Accounts payable	5,011	
Accrued expenses	12,905	
Deferred revenue	<u>(5,000)</u>	
 Total adjustments		 <u>229,923</u>
 Net Cash (Used For) Operating Activities		 <u>(154,900)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditures	(8,924)	
Change in certificates of deposit	(523,856)	
Proceeds from sale of investments	1,143,006	
Purchases of investments	<u>(500,584)</u>	
 Net Cash From Investing Activities		 <u>109,642</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Payments on capital lease	<u>(1,219)</u>	
 Net Cash (Used For) Financing Activities		 <u>(1,219)</u>

NET CHANGE IN CASH AND CASH EQUIVALENTS (46,477)

**CASH AND CASH EQUIVALENTS,
BEGINNING OF YEAR** 1,209,693

**CASH AND CASH EQUIVALENTS,
END OF YEAR** \$ 1,163,216

See Independent Auditors' Report and Notes to Financial Statements.

UNITED WAY OF NORTHWEST ARKANSAS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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 two classes of net assets: without donor restrictions and with donor restrictions.

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. The application of this Codification Topic has not materially affected the Organization’s reported activities, financial position or cash flows.

Cash and Cash Equivalents

For purposes of the Statement 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, 2018, 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.

UNITED WAY OF NORTHWEST ARKANSAS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Pledges Receivable

Pledges receivable are 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 pledged receivables. As of June 30, 2018, the Organization had no pledges receivable or unconditional promises to give to be received in more than one year.

Net Assets and Contribution Revenue

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. 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 a purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statement of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in net assets without restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

Gifts of land, buildings, and equipment are presented as support and revenue without restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. 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.

The Organization recognizes contributions received and made, including pledges receivable, as revenue in the period received or made. Contributions received are reported as either revenues without donor restrictions or revenues with donor restrictions. Contributions with donor restrictions that are used for the purpose specified by the donor in the same year as the contribution is received are recognized as revenues with donor restrictions and are reclassified as net assets released from restrictions in the same year. Promises to contribute that stipulate conditions to be met before the contribution is made are not recorded until the conditions are met.

UNITED WAY OF NORTHWEST ARKANSAS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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. Donated materials are recorded at estimated fair market value on date of donation.

Designations Payable

Accounting standards address transactions for which the Organization accepts a contribution from a donor and agrees to transfer those assets to an organization that is specified by the donor. These funds are referred to as designations payable and are reported as a separate line item in the accompanying statement of financial position. Contributions related to these funds are excluded from the Organization's statement of activities and changes in net assets.

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 while indirect costs that benefit multiple functional areas have been allocated among various functional areas based on the time and effort.

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.

UNITED WAY OF NORTHWEST ARKANSAS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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.

The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position.

Income Taxes and Uncertain Tax Positions

The Organization qualifies as an organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar state statute and is not subject to tax at the entity level for Federal and state income tax purposes. 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.

Recent Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-02, *Leases*. The ASU requires all leases with lease terms more than 12 months to be capitalized as a right-of-use asset and lease liability on the Statements of Financial Position at the date of the lease commencement. All leases will be classified as either finance leases or operating leases. This distinction will be relevant for the pattern of expense recognition in the Statement of Activities. This ASU will be effective for the Organization for the year ended December 31, 2020. The Organization is currently in the process of evaluating the impact, if any, of adoption of this ASU on their financial statements.

During the year ended June 30, 2018, the Organization adopted ASU No. 2016-14 – *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This Guidance is intended to improve the net asset classification requirements and the information presented in the financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows. Main provisions of this guidance include: presentation of two classes of net assets versus the previously required three; recognition of capital assets for construction as a net asset without donor restrictions when associated long-lived asset is placed in service; and recognition of underwater endowment funds as a reduction in net assets with donor restrictions.

UNITED WAY OF NORTHWEST ARKANSAS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

The guidance also enhances disclosures for board designated amounts, composition of net assets without donor restrictions, liquidity, and expenses by both their natural and functional classification.

NOTE 2: INVESTMENTS

Investments are stated at fair value. Fair values and unrealized appreciation (depreciation) at June 30, 2018 are summarized as follows:

	2018		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Money market funds	\$ 36,860	\$ 36,860	\$ -
Bonds	752,401	734,751	(17,650)
	\$ 789,261	\$ 771,611	\$ (17,650)

Net investment income consists of unrealized gains and losses, realized gains and losses, interest and dividend income, and investment fees.

NOTE 3: FAIR VALUE MEASUREMENTS

FASB Codification Topic *Fair Value Measurements and Disclosures* established 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 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). 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. The three levels of the fair value hierarchy under FASB Codification Topic *Fair Value Measurements and Disclosures* 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.

UNITED WAY OF NORTHWEST ARKANSAS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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, 2018.

Money market funds: Valued at cost which mirrors fair value.

Bonds: Valued at fair market value provided by third party at year-end.

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, 2018:

June 30, 2018	Quoted Market Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Money market funds	\$ 36,860	\$ -	\$ -
Bonds	-	734,751	-
	<u>\$ 36,860</u>	<u>\$ 734,751</u>	<u>\$ -</u>

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, 2018, the Organization had uninsured cash balances of approximately \$659,000. Cash balances include "Cash and cash equivalents" and "Certificates of deposit" on the Statement of Financial Position.

NOTE 5: CONCENTRATIONS

The Organization had pledges receivable related to one employer that amounted to approximately 19% of total pledges receivable as of June 30, 2018. The Organization also received in-kind contributions from one contributor that represented approximately 98% of the total in-kind contributions for the year ended June 30, 2018.

UNITED WAY OF NORTHWEST ARKANSAS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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 \$7,850 for the year ended June 30, 2018.

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.

At June 30, 2018, pledges receivable were due as follows:

	2018
Less than one year	\$ 809,288
Less allowance for uncollectible pledges	<u>(59,012)</u>
	<u><u>\$ 750,276</u></u>

NOTE 8: OPERATING LEASES

The Organization leases office equipment and warehouse space under one to three year operating leases. During the year ended June 30, 2018, rental expense for operating leases was \$42,236.

Future minimum lease payments for each of the next three periods subsequent to June 30, 2018 are as follows:

Years ending June 30,	
2019	\$ 15,536
2020	2,536
2021	1,690

NOTE 9: CAPITAL LEASES

The Organization is obligated for certain equipment under a capital lease obligation that will expire in May 2021. The assets under the capital lease are being amortized over the shorter of the useful life of the asset or the lease term which is five years. The amortization related to the capital lease is included in accumulated depreciation in the accompanying statement of financial position and depreciation expense in the accompanying statement of functional expenses and cash flows:

UNITED WAY OF NORTHWEST ARKANSAS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

The assets under the capital lease are as follows:

Equipment	\$	8,011
Accumulated amortization		<u>5,813</u>
Net assets under capital lease	\$	<u><u>2,198</u></u>

The capital lease has interest imputed of 24% and matures in May 2021. Future minimum lease payments under the capital lease are as follows:

	<u>Present Value</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 1,551	\$ 1,244	\$ 2,795
2020	1,973	822	2,795
2021	<u>2,276</u>	<u>286</u>	<u>2,562</u>
	<u>\$ 5,800</u>	<u>\$ 2,352</u>	<u>\$ 8,152</u>

NOTE 10: RELATED PARTY TRANSACTIONS

The Organization pays a membership fee to the United Way World Wide for yearly dues. The total fee incurred for the year ended June 30, 2018 was \$28,645. No money was due to United Way World Wide as of June 30, 2018.

NOTE 11: NET ASSETS WITH RESTRICTIONS

Net assets with donor restrictions are restricted for the following purpose as follows:

	2018
Capacity building program	<u>\$ 69,383</u>

UNITED WAY OF NORTHWEST ARKANSAS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12: LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

Financial assets at year end:	
Cash and cash equivalents	\$ 1,163,216
Certificates of deposit	747,702
Pledges receivable, net	750,276
Other receivables	5,000
Investments	<u>771,611</u>
 Total financial assets available within one year	 <u>3,437,805</u>
Less:	
Allocations payable to agencies	(1,447,200)
Designations payable	(102,029)
Restricted by donor with time or purpose restrictions	<u>(69,383)</u>
 Total amounts unavailable for general expenditures within one year	 <u>(1,618,612)</u>
 Financial assets available to meet cash needs for general expenditures within one year	 <u><u>\$ 1,819,193</u></u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

SUPPLEMENTARY INFORMATION

UNITED WAY OF NORTHWEST ARKANSAS, INC.
SCHEDULE OF ALLOCATIONS AND GRANTS PAID TO AFFILIATED AGENCIES
YEAR ENDED JUNE 30, 2018

American Cancer Society	\$ 1,398
American Heart Association	701
American Red Cross	4,481
Appleseeds	25,724
Arkansas Support Network	1,430
Bella Vista Courtesy Van	1,160
Benton County 4-H Foundation	775
Benton County Humane Society	46
Bentonville Schools, Child Enrichment Services	63,581
Big Brothers/Big Sisters	68,252
Boy Scouts of Westark Area Council	2,757
Boys & Girls Club of Benton County	103,639
Boys & Girls Club of Western Benton Co	29,782
Breaking Free	68
Breast Cancer Foundation	27
Camp Aldersgate	1,137
CASA of NWA	51,013
Children's Advocacy Center	22,364
Churches Joint Council on Human Need	34
Circle of Life	197
College Possible	547
Community Clinic at St. Francis House	823
Compassion Ministries	15,121
Credit Counseling of Arkansas	115
Delaware County Children's Special Advocacy Network	382
Diamond Girl Scouts	35,000
Dogwood Literacy Council	332
Donald W. Reynolds Boys & Girls	49,075
Elizabeth Richardson Center	2,105
EOA Children's House	13,210
EOA Head Start	45,877
Epic Compassionaries	734
Family Network	18,000
Fayetteville Senior Activity and Wellness Center	285
Full Circle Food Pantry	364
Genesis House	23,059
Girl Scouts Diamond	1,961
Girls on the Run NWA	178
Grace Point Church	315
Gravette High School	171
Habitat for Humanity	672
Havenwood	35,495

See Independent Auditors' Report.

UNITED WAY OF NORTHWEST ARKANSAS, INC.
SCHEDULE OF ALLOCATIONS AND GRANTS PAID TO AFFILIATED AGENCIES
YEAR ENDED JUNE 30, 2018

Helen R Walton Enrichment Center	162,099
Holston United Methodist Home for...	68
Huntsville Consolidated School District	92
Junior Achievement of Arkansas	513
Juvenile Diabetes Research Foundation	103
Kind At Heart	4,156
Learning Center of Northeast Arkansas	197
Legal Aid of AR	76,668
Life Styles, Inc	1,701
Lincoln Consolidated Schools	50,123
Magnolia Regional Health Center	68
Make A Wish Foundation	1,439
Manna Center	1,871
McDonald County	1,718
Meals on Wheels of Rogers	255
Northwest Arkansas Women's Shelter	21,594
NWA Center for Sexual Assault	1,347
NWA Children's Shelter	7,801
NWA EDD	765
NWA Food Bank	1,281
Open Avenues	826
Ozark Guidance Center	930
Ozark Literacy Center	24,415
Peace At Home Family Shelter	75,152
Prairie Grove Schools	6,000
Prism Education Center	35,000
Restoration Ministries	18,605
Salvation Army	789
Samaritan Community Center	27,477
SCI Can Foundation	477
Seven Hills Homeless Center	295
Share the Harvest Food Pantry	120
Siloam Springs Adult Development Center	765
Siloam Springs Children's Center	100
Single Parent Scholarship Fund of Benton Co	699
Single Parent Scholarship Fund of NWA	4,731
Single Parent Scholarship Fund of Washington County	256
Springdale Schools, Early Childhood Center	3,054
St. Bernard of Clairvaux Church	118
Sunshine School & Development Center	87,492
Teen Action & Support Center	133,372
The Church of Jesus Christ of Latter Day Saints	299

See Independent Auditors' Report.

UNITED WAY OF NORTHWEST ARKANSAS, INC.
SCHEDULE OF ALLOCATIONS AND GRANTS PAID TO AFFILIATED AGENCIES
YEAR ENDED JUNE 30, 2018

The Craig Foundation	43
The Posse Foundation	274
TheatreSquared	10,000
Trike Theatre	93
U of A School of Social Work	125,000
United Way of Adair County	1,873
United Way of Adams County	171
United Way of Delaware County	5,417
United Way of Oconee County	456
United Way of the Sun	121
Village House	111
Washington Regional Faith - Faith in Action	3,848
Welcome Health	36,525
Youth Bridge	41,283
Youth Strategies	519
University of Arkansas Foundation	369
Yvonne Richardson Center	236
	<u>1,603,557</u>
Less donor designations paid	<u>(118,913)</u>
Net grants, allocations, designations, and other distributions	<u><u>\$ 1,484,644</u></u>

See Independent Auditors' Report.