

*United Way of Lincoln and Lancaster County  
and Controlled Foundation  
Lincoln, Nebraska*

*June 30, 2016 and 2015*

*Consolidated Financial Statements  
and  
Report of Independent Certified Public Accountants*

United Way of Lincoln and Lancaster County and Controlled Foundation

Years ended June 30, 2016 and 2015

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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The Board of Directors  
United Way of Lincoln and Lancaster County  
and Controlled Foundation  
Lincoln, Nebraska

We have audited the accompanying consolidated financial statements of United Way of Lincoln and Lancaster County and Controlled Foundation, which comprise the consolidated statements of financial position as of June 30, 2016 and 2015, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended and the related notes to the consolidated financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of United Way of Lincoln and Lancaster County and Controlled Foundation, as of June 30, 2016 and 2015, 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 audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental consolidating statements and the schedules of agency allocations, grants, contracts and designations on pages 20-27 are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance accounting principles generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*HBE Becker Meyer Love LLP*

October 27, 2016

Becker Meyer Love LLP  
Certified Public Accountants & Consultants

United Way of Lincoln and Lancaster County and Controlled Foundation

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30,

ASSETS

	<u>2016</u>	<u>2015</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents (note A)	\$ 3,766,301	\$ 3,463,200
Certificates of deposit (note B)	1,091,576	1,091,448
Investments (notes A, C and H)	753,577	729,088
Unconditional promises to give from campaigns, net (notes A and L)	2,708,039	2,626,879
Accounts receivable (note A)	30,831	38,997
Prepaid expenses	<u>52,368</u>	<u>23,303</u>
 Total current assets	 8,402,692	 7,972,915
 <b>PROPERTY AND EQUIPMENT (notes A and D)</b>	 <u>31,864</u>	 <u>33,909</u>
 Total assets	 <u>\$ 8,434,556</u>	 <u>\$ 8,006,824</u>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 48,083	\$ 73,380
Accrued vacation	29,169	29,340
Accrued expenses	-	5,019
Operations payable	1,392,822	1,304,903
Community collaboratives payable (note E)	504,218	379,598
Custodial funds	44,111	46,057
Deferred revenue (note A)	55,041	88,946
Allocations payable	2,140,475	2,130,058
Designations payable	<u>2,068,782</u>	<u>1,930,737</u>
 Total current liabilities	 <u>6,282,701</u>	 <u>5,988,038</u>
 <b>NET ASSETS (note A)</b>		
Unrestricted		
Designated		
Reserve for operations (note K)	1,387,903	1,224,634
Board designated endowment (note I)	497,586	512,750
Temporarily restricted (note I)	<u>266,366</u>	<u>281,402</u>
 Total net assets	 <u>2,151,855</u>	 <u>2,018,786</u>
 Total liabilities and net assets	 <u>\$ 8,434,556</u>	 <u>\$ 8,006,824</u>

See accompanying notes to consolidated financial statements.

United Way of Lincoln and Lancaster County and Controlled Foundation

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended June 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>CHANGE IN NET ASSETS</b>			
Revenue and other support			
Total amounts raised	\$ 4,543,862	\$ 2,537,620	\$ 7,081,482
Provision for uncollectible	(236,659)	-	(236,659)
Amounts designated by donors for specific organizations	<u>-</u>	<u>(2,537,620)</u>	<u>(2,537,620)</u>
Total net contributions	<u>4,307,203</u>	<u>-</u>	<u>4,307,203</u>
Other revenue			
Investment income	14,691	(177)	14,514
Service fees	148,177	-	148,177
Sponsorship and special events	95,058	-	95,058
In-kind contributions	147,816	-	147,816
Grant income	<u>10,754</u>	<u>-</u>	<u>10,754</u>
Total other revenue	<u>416,496</u>	<u>(177)</u>	<u>416,319</u>
Net assets released from restrictions	<u>14,859</u>	<u>(14,859)</u>	<u>-</u>
Total revenue and other support	<u>4,738,558</u>	<u>(15,036)</u>	<u>4,723,522</u>
Program distributions			
Allocations distributed to affiliated agencies	2,092,058	-	2,092,058
Community initiatives and other funds distributed to affiliated agencies	1,518,970	-	1,518,970
Funds distributed to nonaffiliated agencies	<u>1,710,284</u>	<u>-</u>	<u>1,710,284</u>
Total program distributions	5,321,312	-	5,321,312
Less: distributions funded through donor designations	<u>(2,537,620)</u>	<u>-</u>	<u>(2,537,620)</u>
Net program distributions	<u>2,783,692</u>	<u>-</u>	<u>2,783,692</u>
Expenses			
Management and general	221,890	-	221,890
Fund distribution and planning	561,812	-	561,812
Campaign	730,099	-	730,099
Marketing and communications	208,318	-	208,318
Foundation operating expenses	<u>16,973</u>	<u>-</u>	<u>16,973</u>
Total functional expenses	1,739,092	-	1,739,092
Other program expenses	<u>67,669</u>	<u>-</u>	<u>67,669</u>
Total expenses	<u>1,806,761</u>	<u>-</u>	<u>1,806,761</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	148,105	(15,036)	133,069
Net assets, beginning of year	<u>1,737,384</u>	<u>281,402</u>	<u>2,018,786</u>
Net assets, end of year	<u>\$ 1,885,489</u>	<u>\$ 266,366</u>	<u>\$ 2,151,855</u>

See accompanying notes to consolidated financial statements.

United Way of Lincoln and Lancaster County and Controlled Foundation

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended June 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>CHANGE IN NET ASSETS</b>			
Revenue and other support			
Total amounts raised	\$ 4,422,059	\$ 2,650,038	\$ 7,072,097
Provision for uncollectible	(229,269)	-	(229,269)
Amounts designated by donors for specific organizations	<u>-</u>	<u>(2,650,038)</u>	<u>(2,650,038)</u>
Total net contributions	<u>4,192,790</u>	<u>-</u>	<u>4,192,790</u>
Other revenue			
Investment income	19,542	6,710	26,252
Service fees	150,437	-	150,437
Sponsorship and special events	93,930	-	93,930
In-kind contributions	135,440	-	135,440
Grant income	<u>17,907</u>	<u>-</u>	<u>17,907</u>
Total other revenue	<u>417,256</u>	<u>6,710</u>	<u>423,966</u>
Net assets released from restrictions	<u>16,537</u>	<u>(16,537)</u>	<u>-</u>
Total revenue and other support	<u>4,626,583</u>	<u>(9,827)</u>	<u>4,616,756</u>
Program distributions			
Allocations distributed to affiliated agencies	2,082,058	-	2,082,058
Community initiatives and other funds distributed to affiliated agencies	1,425,023	-	1,425,023
Funds distributed to nonaffiliated agencies	<u>1,846,913</u>	<u>-</u>	<u>1,846,913</u>
Total program distributions	<u>5,353,994</u>	<u>-</u>	<u>5,353,994</u>
Less: distributions funded through donor designations	<u>(2,650,038)</u>	<u>-</u>	<u>(2,650,038)</u>
Net program distributions	<u>2,703,956</u>	<u>-</u>	<u>2,703,956</u>
Expenses			
Management and general	208,458	-	208,458
Fund distribution and planning	557,712	-	557,712
Campaign	698,425	-	698,425
Marketing and communications	200,404	-	200,404
Foundation operating expenses	<u>10,529</u>	<u>-</u>	<u>10,529</u>
Total functional expenses	<u>1,675,528</u>	<u>-</u>	<u>1,675,528</u>
Other program expenses	<u>34,183</u>	<u>-</u>	<u>34,183</u>
Total expenses	<u>1,709,711</u>	<u>-</u>	<u>1,709,711</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	212,916	(9,827)	203,089
Net assets, beginning of year	<u>1,524,468</u>	<u>291,229</u>	<u>1,815,697</u>
Net assets, end of year	<u>\$ 1,737,384</u>	<u>\$ 281,402</u>	<u>\$ 2,018,786</u>

See accompanying notes to consolidated financial statements.

United Way of Lincoln and Lancaster County and Controlled Foundation

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2016

	Management and General	Fund Distribution and Planning	Fundraising Services		Foundation Operating Expenses	Totals
			Campaign	Marketing and Communications		
Salaries	\$ 115,483	\$ 292,937	\$ 353,816	\$ 108,381	\$ -	\$ 870,617
Employee benefits	19,716	47,822	62,323	21,208	-	151,069
Payroll taxes	7,891	20,868	25,745	7,999	-	62,503
<b>Total salaries and related expenses</b>	<b>143,090</b>	<b>361,627</b>	<b>441,884</b>	<b>137,588</b>	<b>-</b>	<b>1,084,189</b>
Professional fees	14,472	21,656	19,838	3,281	2,975	62,222
Supplies	946	2,239	3,175	957	-	7,317
Telephone	2,839	4,385	5,889	1,991	-	15,104
Postage	2,254	585	6,554	9	101	9,503
Occupancy	13,340	32,396	42,604	14,363	-	102,703
Rental, purchase and maintenance of equipment	1,906	2,217	5,368	983	-	10,474
Printing and advertising	3,485	92,522	63,978	32,876	5,476	198,337
Campaign supplies	-	-	6,442	-	-	6,442
Awards and recognition	3,326	102	1,710	-	-	5,138
Duplicating	1,157	646	2,638	167	-	4,608
Travel and meetings	1,011	2,242	5,826	634	316	10,029
Conferences, conventions, and other training	7,723	2,545	3,665	432	-	14,365
Membership dues	10,849	22,432	28,963	10,038	-	72,282
Subscriptions and publications	47	845	201	50	-	1,143
Insurance	993	2,410	3,141	1,069	-	7,613
Investment fees	-	-	-	-	2,859	2,859
Miscellaneous	1,969	6,429	9,223	2,010	5,246	24,877
Interviewing and relocation	120	-	-	-	-	120
Program initiatives	-	717	-	-	-	717
Special events	10,626	1,600	73,504	-	-	85,730
<b>Total before depreciation</b>	<b>220,153</b>	<b>557,595</b>	<b>724,603</b>	<b>206,448</b>	<b>16,973</b>	<b>1,725,772</b>
Depreciation of property and equipment	1,737	4,217	5,496	1,870	-	13,320
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 221,890</b>	<b>\$ 561,812</b>	<b>\$ 730,099</b>	<b>\$ 208,318</b>	<b>\$ 16,973</b>	<b>\$ 1,739,092</b>

See accompanying notes to consolidated financial statements.



United Way of Lincoln and Lancaster County and Controlled Foundation

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2015

	Management and General	Fund Distribution and Planning	Fundraising Services		Foundation Operating Expenses	Totals
			Campaign	Marketing and Communications		
Salaries	\$ 106,388	\$ 299,315	\$ 339,573	\$ 101,405	\$ -	\$ 846,681
Employee benefits	18,291	44,356	57,806	19,670	-	140,123
Payroll taxes	7,831	20,861	25,348	7,460	-	61,500
<b>Total salaries and related expenses</b>	<b>132,510</b>	<b>364,532</b>	<b>422,727</b>	<b>128,535</b>	<b>-</b>	<b>1,048,304</b>
Professional fees	14,663	24,807	22,682	2,813	2,750	67,715
Supplies	1,317	2,580	3,202	892	-	7,991
Telephone	2,646	4,192	5,625	2,074	-	14,537
Postage	1,809	519	5,847	8	4	8,187
Occupancy	12,861	31,239	41,137	13,848	-	99,085
Rental, purchase and maintenance of equipment	1,591	2,527	5,475	1,074	-	10,667
Printing and advertising	3,354	87,979	60,676	34,386	54	186,449
Campaign supplies	-	-	4,746	-	-	4,746
Awards and recognition	4,610	273	1,862	-	-	6,745
Duplicating	1,043	640	3,132	66	-	4,881
Travel and meetings	1,460	1,648	5,237	716	325	9,386
Conferences, conventions, and other training	2,428	100	3,677	1,029	-	7,234
Membership dues	11,133	21,771	28,261	9,767	-	70,932
Subscriptions and publications	46	720	336	49	-	1,151
Insurance	954	2,316	3,019	1,027	-	7,316
Investment fees	-	-	-	-	2,787	2,787
Miscellaneous	1,928	4,808	7,078	1,901	4,609	20,324
Interviewing and relocation	115	-	-	-	-	115
Program initiatives	-	385	-	-	-	385
Special events	11,930	1,605	67,209	-	-	80,744
<b>Total before depreciation</b>	<b>206,398</b>	<b>552,641</b>	<b>691,928</b>	<b>198,185</b>	<b>10,529</b>	<b>1,659,681</b>
Depreciation of property and equipment	2,060	5,071	6,497	2,219	-	15,847
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 208,458</b>	<b>\$ 557,712</b>	<b>\$ 698,425</b>	<b>\$ 200,404</b>	<b>\$ 10,529</b>	<b>\$ 1,675,528</b>

See accompanying notes to consolidated financial statements.

United Way of Lincoln and Lancaster County and Controlled Foundation

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended June 30,

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
Cash received from donors and support	\$ 4,492,793	\$ 4,418,796
Cash paid for campaign distributions	(2,658,905)	(2,782,663)
Cash paid to employees and suppliers	(1,509,409)	(1,393,553)
Interest income	<u>25,838</u>	<u>23,972</u>
Net cash provided by operating activities	<u>350,317</u>	<u>266,552</u>
Cash flows from investing activities		
Purchase of property and equipment	(11,275)	(11,905)
Purchase of investments	(136,684)	(362,060)
Redemptions of investments	<u>100,743</u>	<u>353,355</u>
Net cash used by investing activities	<u>(47,216)</u>	<u>(20,610)</u>
Net increase in cash and cash equivalents	303,101	245,942
Cash and cash equivalents, beginning of year	<u>3,463,200</u>	<u>3,217,258</u>
Cash and cash equivalents, end of year	<u>\$ 3,766,301</u>	<u>\$ 3,463,200</u>
Reconciliation of increase in net assets to net cash provided by operating activities		
Increase in net assets	<u>\$ 133,069</u>	<u>\$ 203,089</u>
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	13,320	15,847
Reinvested interest	(413)	(570)
Realized and unrealized (gains) losses on investments	11,737	(1,710)
(Increase) decrease in assets		
Unconditional promises to give	(81,160)	(49,216)
Accounts receivable	17,761	5,448
Prepaid expenses	(29,065)	8,589
Increase (decrease) in liabilities		
Accounts payable	(24,642)	24,377
Accrued vacation	(171)	944
Accrued expenses	(5,019)	311
Operations payable	87,919	34,183
Agency appropriations	114,370	(115,890)
Custodial funds	(1,946)	2,576
Deferred revenue	(33,905)	4,642
Allocations payable	10,417	44,683
Designations payable	<u>138,045</u>	<u>89,249</u>
Total adjustments to increase in net assets	<u>217,248</u>	<u>63,463</u>
Net cash provided by operating activities	<u>\$ 350,317</u>	<u>\$ 266,552</u>

See accompanying notes to consolidated financial statements.

United Way of Lincoln and Lancaster County and Controlled Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

United Way of Lincoln and Lancaster County (United Way) provides an opportunity for all citizens and agencies, governmental and private, to join together in the delivery of efficient human service programs related to current community needs. The major functional divisions include Resource Development Campaign, Community Impact Fund Distribution and Planning, and Marketing and Communications. These divisions work together to produce maximum contributions from within the community and provide a system for distributing those resources to human programs in Lancaster County.

United Way of Lincoln and Lancaster County Foundation, Inc. (Foundation) is a not-for-profit corporation formed for the purpose of supporting the mission of United Way of Lincoln and Lancaster County.

**NOTE A - SUMMARY OF ACCOUNTING POLICIES**

A summary of significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follows:

**Principles of Consolidation.** The accompanying consolidated financial statements include accounts of United Way of Lincoln and Lancaster County and United Way of Lincoln and Lancaster County Foundation, Inc., a controlled not-for-profit corporation (collectively referred to as the Organization). All significant intercompany accounts and transactions have been eliminated.

**Method of Accounting.** The accompanying consolidated financial statements of the Organization have been prepared on the accrual basis of accounting.

**Cash and Cash Equivalents.** For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with a maturity of three months or less to be cash equivalents.

**Investments.** Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the consolidated statement of financial position. Unrealized gains and losses are included in the consolidated statement of activities. Donated securities are recorded as contributions equal to the fair market value of the securities at the date of gift.

**Endowment Investment and Payout Policies.** The Organization has adopted investment and payout policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while seeking to maintain the purchasing power of the endowment assets. The Organization's investment and payout policies, which have been approved by the Organization's Board of Directors, work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. The current investment objective is to achieve an annual rate of return to allow for distributions of up to 5% while growing the funds.

To satisfy its objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation between equity-based and fixed income investments to achieve its return objectives within prudent risk parameters.

The payout policy determines the amount of money distributable from the Organization's various endowment funds. The current payout policy is to allow distributions from each endowment in an amount up to 5% of the average net fair value for the last three years through the calendar year-end preceding the year in which the distribution is planned.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED**

**Fair Value Measurements.** 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 measurement date. The Organization utilizes a framework to prioritize 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). The three levels of the fair value hierarchy are described as follows:

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

Level 2            Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Transfers between levels shall occur at the actual date of the event or change in circumstances that caused the transfer. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

**Unconditional Promises to Give.** Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Unconditional promises to give that are expected to be collected or paid in more than one year are recognized at the present value of estimated future cash flows. Management provides for probable uncollectible unconditional promises receivable through a charge to net assets and a credit to a valuation allowance based on prior years' experience and management's analysis of specific promises made. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to unconditional promises receivable. Changes in the valuation allowance have not been material to the financial statements. Unconditional promises to give are stated at the amount management expects to collect from balances outstanding at year-end.

**Accounts Receivable.** Accounts receivable are reported at the amount management expects to collect on balances outstanding at year-end. Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial.

**Property and Equipment and Depreciation.** Property and equipment are carried at cost, if purchased and at fair market value at the date of contribution, if received by donation, less accumulated depreciation. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives computed primarily on the straight-line method. Furniture and equipment are depreciated over estimated useful lives from three to seven years. It is the Organization's policy to capitalize property and equipment over \$1,000. Lesser amounts are expensed.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED**

**Deferred revenue.** Campaign donations received in advance are revenues for the succeeding year and are recognized as income in the applicable year when earned.

**Net Asset Classification.** The Organization reports 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.

**Unrestricted net assets.** Net assets that are not subject to outside 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.

**Temporarily restricted net assets.** Net assets on which grantors or donors have placed restrictions regarding the use of the funds or the time period in which the funds can be used. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as “net assets released from restrictions.”

**Permanently restricted net assets.** Net assets whose funds must be held indefinitely. The Organization has no permanently restricted net assets.

The State of Nebraska adopted UPMIFA effective September 1, 2007. The Organization adopted the Financial Accounting Standards Board’s guidance and required disclosures for the year ended June 30, 2010. The Board of Directors has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets the original value of the gifts donated and subsequent gifts to the permanent endowment. The accumulations to the donor-restricted endowment that are not classified as permanently restricted are classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. Temporarily restricted net assets also include general limitation endowment funds with an unfulfilled restriction on the purpose for which the monies from the fund may be applied and the specific limitation endowment funds for which the donor allows some principal invasions in the gift instrument.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

United Way of Lincoln and Lancaster County and Controlled Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED**

**Advertising.** Advertising costs of the Organization are expensed as incurred. Advertising expense was \$161,599 and \$154,390 for the years ended June 30, 2016 and 2015, respectively.

**In-Kind Donations.** In-kind donations are recorded as contributions at their estimated fair values at the date of donation. Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would have otherwise been purchased by the Organization.

**Income Taxes.** United Way and the Foundation are exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. As such, income earned in the performance of their exempt purpose is not subject to income tax. Any income earned through activities not related to their exempt purpose is subject to income tax at normal corporate rates. For the years ended June 30, 2016 and 2015, United Way and the Foundation had no unrelated business activity. United Way and the Foundation believe that they have appropriate support for any tax positions taken, and as such, do not have any uncertain tax positions that are material to the consolidated financial statements.

**Use of Estimates.** The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE B - CERTIFICATES OF DEPOSIT**

Certificates of deposit consist of:

	2016			
	Date of Purchase/Renewal	Amount	Interest Rate	Maturity Date
Union Bank & Trust Company	3/8/2016	\$ 98,000	1.84%	9/8/2018
West Gate Bank	6/12/2016	100,199	0.60%	6/12/2018
Cattle National Bank	11/25/2015	99,000	0.60%	11/25/2017
Mutual of Omaha Bank	2/20/2015	99,000	1.14%	6/12/2017
First State Bank	3/5/2016	99,136	1.55%	3/5/2019
Pinnacle Bank	7/3/2016	99,176	0.95%	8/3/2018
Great Western Bank	9/5/2014	97,164	0.40%	9/5/2016
US Bank	2/16/2015	100,871	0.50%	9/16/2016
Cornhusker Bank	3/28/2016	99,000	0.65%	10/28/2017
Nebraska Bank of Commerce	11/30/2015	100,030	0.50%	11/30/2017
Security First Bank	12/4/2014	100,000	0.20%	12/4/2016
		<u>\$ 1,091,576</u>		

United Way of Lincoln and Lancaster County and Controlled Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE B - CERTIFICATES OF DEPOSIT - CONTINUED**

	2015			
	Date of Purchase/Renewal	Amount	Interest Rate	Maturity Date
Union Bank & Trust Company	5/8/2011	\$ 98,000	2.55%	3/8/2016
West Gate Bank	6/12/2014	100,071	0.25%	6/12/2016
Cattle National Bank	11/25/2013	99,000	0.90%	11/25/2017
Mutual of Omaha Bank	2/20/2015	99,000	1.14%	6/12/2017
First State Bank	3/5/2014	99,136	0.50%	3/5/2016
Pinnacle Bank	6/3/2014	99,176	0.95%	7/3/2016
Great Western Bank	9/5/2014	97,164	0.40%	9/5/2016
US Bank	2/16/2015	100,871	0.50%	9/16/2016
Cornhusker Bank	3/28/2014	99,000	0.55%	3/28/2016
Nebraska Bank of Commerce	11/30/2013	100,030	0.50%	11/30/2015
Security First Bank	12/4/2014	<u>100,000</u>	0.20%	12/4/2016
		<u>\$ 1,091,448</u>		

**NOTE C - INVESTMENTS**

Investments consist of:

	2016		2015	
	Cost	Market	Cost	Market
Mutual funds	\$ 389,105	\$ 477,006	\$ 315,304	\$ 449,406
Bond funds	<u>277,479</u>	<u>276,571</u>	<u>280,277</u>	<u>279,682</u>
	<u>\$ 666,584</u>	<u>\$ 753,577</u>	<u>\$ 595,581</u>	<u>\$ 729,088</u>
Unrealized gain		<u>\$ 86,993</u>		<u>\$ 133,507</u>

**NOTE D - PROPERTY AND EQUIPMENT**

Property and equipment consists of:

	2016	2015
Furniture and equipment	\$ 167,694	\$ 196,422
Accumulated depreciation	<u>(135,830)</u>	<u>(162,513)</u>
	<u>\$ 31,864</u>	<u>\$ 33,909</u>

The consolidated financial statements include depreciation expense of \$13,320 and \$15,847 for the years ended June 30, 2016 and 2015, respectively.



United Way of Lincoln and Lancaster County and Controlled Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE E - COMMUNITY COLLABORATIVES**

Community collaboratives are distributions of support which were approved by the Board of Directors but not drawn at the end of the year. Community collaboratives payable consist of:

	<u>2016</u>	<u>2015</u>
Background checks	\$ 5,352	\$ 5,812
Planning/Needs Assessment	10,000	5,000
Data Tracking Payable	13,778	-
2-1-1	82,137	64,871
Food and Hunger Initiatives	10,000	25,482
Community Impact	24,450	16,782
WLC Payable	13,580	-
Women's Leadership Council	234,237	237,112
Women in Philanthropy	29,164	24,539
Community Response Payable	<u>81,520</u>	<u>-</u>
	<u>\$ 504,218</u>	<u>\$ 379,598</u>

**NOTE F - OPERATING LEASES**

On May 1, 2009, the Organization entered into a 120-month operating lease for office space. Under the terms of the lease, monthly rent payments are \$5,681 and increase 2% to 3% on each anniversary of the commencement of the lease, July 1, 2009. The Organization is also obligated for payment of the Organization's proportionate share of common area and facilities maintenance and real estate taxes. On October 1, 2013, the Organization amended the original lease to include an additional space for storage. Under the terms of the lease, monthly rent payments for the storage space are \$391.

On April 1, 2013, the Organization entered into a 63-month operating lease for a postage machine. Under the terms of the lease, monthly rent payments are \$148.

On May 24, 2016, the Organization entered into a 39-month operating lease for office equipment. Under the terms of the lease, monthly rent payments are \$220.

The consolidated financial statements include rent expense of \$89,822 and \$86,261, and equipment lease expense of \$7,556 and \$7,909 for the years ended June 30, 2016 and 2015, respectively.

Future minimum lease payments are as follows:

<u>Year ending June 30,</u>	
2017	\$ 87,414
2018	89,765
2019	92,183
2020	<u>90,692</u>
	<u>\$ 360,054</u>



United Way of Lincoln and Lancaster County and Controlled Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE G - RETIREMENT PLAN**

The Organization has a 401(k) plan covering eligible employees. Under the plan, employer contributions are made to the account of each individual employee based on 3% of their annual compensation, with an additional matching contribution of up to 3%. An employee must be at least age twenty and have one year of service with the Organization before they can participate in the plan. Total expense incurred was \$43,332 and \$45,551 for the years ended June 30, 2016 and 2015, respectively.

**NOTE H - FAIR VALUE MEASUREMENTS**

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in methodologies used during the years ended June 30, 2016 and 2015.

*Mutual funds:* Valued at the observable net asset value (NAV) of shares held by the Organization at year end.

*Bond funds:* Valued using independent pricing models.

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 table sets forth the balances of assets and liabilities measured at fair value on a recurring basis as of June 30, 2016 and 2015.

<u>June 30, 2016</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Mutual funds				
International	\$ 90,556	\$ 90,556	\$ -	\$ -
Large cap	346,706	346,706	-	-
Mid cap	19,652	19,652	-	-
Small cap	20,092	20,092	-	-
Bond funds				
Fixed income	<u>276,571</u>	<u>-</u>	<u>276,571</u>	<u>-</u>
	<u>\$ 753,577</u>	<u>\$ 477,006</u>	<u>\$ 276,571</u>	<u>\$ -</u>

United Way of Lincoln and Lancaster County and Controlled Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE H - FAIR VALUE MEASUREMENTS - CONTINUED**

June 30, 2015	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds				
International	\$ 93,983	\$ 93,983	\$ -	\$ -
Large cap	323,075	323,075	-	-
Mid cap	20,535	20,535	-	-
Small cap	11,813	11,813	-	-
Bond funds				
Fixed income	<u>279,682</u>	<u>-</u>	<u>279,682</u>	<u>-</u>
	<u>\$ 729,088</u>	<u>\$ 449,406</u>	<u>\$ 279,682</u>	<u>\$ -</u>

**NOTE I - ENDOWMENT**

Endowment net asset composition by type of fund as of June 30, 2016 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Board-designated endowment funds	<u>\$ 497,586</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 497,586</u>
Donor-restricted endowment funds	<u>\$ -</u>	<u>\$ 266,366</u>	<u>\$ -</u>	<u>\$ 266,366</u>

Changes in endowment net assets for the year ended June 30, 2016 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balance June 30, 2015	\$ 512,750	\$ 281,402	\$ -	\$ 794,152
Contributions	1,095	-	-	1,095
Investment income	31,776	20,748	-	52,524
Net depreciation of investments	(28,671)	(20,925)	-	(49,596)
Investment fees	(5,245)	(2,859)	-	(8,104)
Amounts appropriated for expenditure	<u>(14,119)</u>	<u>(12,000)</u>	<u>-</u>	<u>(26,119)</u>
Balance June 30, 2016	<u>\$ 497,586</u>	<u>\$ 266,366</u>	<u>\$ -</u>	<u>\$ 763,952</u>

United Way of Lincoln and Lancaster County and Controlled Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE I - ENDOWMENT - CONTINUED**

Endowment net asset composition by type of fund as of June 30, 2015 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Board-designated endowment funds	\$ 512,750	\$ -	\$ -	\$ 512,750
Donor-restricted endowment funds	<u>\$ -</u>	<u>\$ 281,402</u>	<u>\$ -</u>	<u>\$ 281,402</u>

Changes in endowment net asset for the year ended June 30, 2015 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balance June 30, 2014	\$ 482,241	\$ 291,229	\$ -	\$ 773,470
Contributions	28,411	-	-	28,411
Investment income	23,009	14,317	-	37,326
Net depreciation of investments	(13,169)	(7,607)	-	(20,776)
Investment fees	(4,579)	(2,787)	-	(7,366)
Amounts appropriated for expenditure	<u>(3,163)</u>	<u>(13,750)</u>	<u>-</u>	<u>(16,913)</u>
Balance June 30, 2015	<u>\$ 512,750</u>	<u>\$ 281,402</u>	<u>\$ -</u>	<u>\$ 794,152</u>

**NOTE J - CFC COMPLIANCE**

During the years ended June 30, 2016 and 2015, the Organization complied with the requirements of the Combined Federal Campaign (CFC) to honor designations made to each member agency by distributing a proportionate share of receipts based on donor designations to each member agency.

**NOTE K - DESIGNATED NET ASSETS**

Reserve for Operations

The Board of Directors has established a reserve for operations to help ensure the financial stability of the Organization's internal operations and for programs receiving allocations.

United Way of Lincoln and Lancaster County and Controlled Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE L - ANNUAL CAMPAIGN SUPPORT**

Public support recorded as unconditional promises to give consist of:

	<u>2016</u>	<u>2015</u>
Total public support	\$ 7,081,482	\$ 7,072,097
Payments received prior to June 30	<u>(4,078,252)</u>	<u>(4,162,809)</u>
	3,003,230	2,909,288
Allowance for unconditional promises to give	<u>(295,191)</u>	<u>(282,409)</u>
Unconditional promises to give at June 30	<u>\$ 2,708,039</u>	<u>\$ 2,626,879</u>

Unconditional promises to give are due in the following period:

<u>Year ending June 30,</u>	
2017	<u>\$ 2,708,039</u>

**NOTE M - AFFILIATED AGENCIES**

An affiliated agency is one who is currently receiving funding for a program that addresses one of the Organization's focus areas: investing in children toward graduation and assisting those in crisis toward stability. These agencies have applied through a fund distribution process that uses community volunteers to review and recommend to the Organization's Board approval for funding.

**NOTE N – CONCENTRATIONS OF CREDIT RISK**

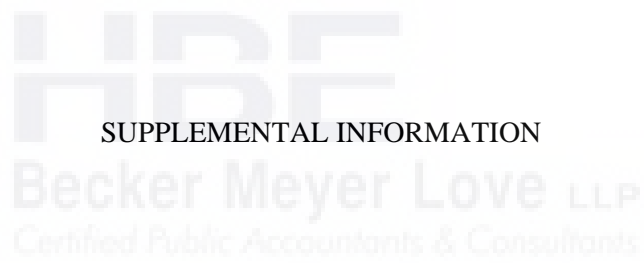
Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of Short Term Federal Investment Trust (STFIT) accounts at a financial institution. The STFIT accounts are not federally insured, but are backed by the U.S. government. At June 30, 2016 and 2015, the STFIT account balances totaled \$3,425,729 and \$3,036,678, respectively. The Organization has not experienced any losses on such accounts.

**NOTE O - RECLASSIFICATION**

Certain amounts in the year ended June 30, 2015 financial statements have been reclassified to conform with current year presentation. These reclassifications had no effect on the 2015 increase in net assets.

**NOTE P - SUBSEQUENT EVENTS**

Subsequent events have been evaluated through the audit report date, the date the consolidated financial statements were available to be issued.



**SUPPLEMENTAL INFORMATION**

United Way of Lincoln and Lancaster County and Controlled Foundation

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

June 30, 2016

ASSETS

	United Way of Lincoln and Lancaster County	United Way of Lincoln and Lancaster County Foundation, Inc.	Eliminations	Consolidated
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 3,755,271	\$ 11,030	\$ -	\$ 3,766,301
Certificates of deposit	1,091,576	-	-	1,091,576
Investments	-	753,577	-	753,577
Unconditional promises to give from campaigns	3,003,230	-	-	3,003,230
Less allowance for uncollectible promises to give	(295,191)	-	-	(295,191)
Accounts receivable	31,486	-	(655)	30,831
Prepaid expenses	52,368	-	-	52,368
	<u>7,638,740</u>	<u>764,607</u>	<u>(655)</u>	<u>8,402,692</u>
<b>Total current assets</b>				
<b>PROPERTY AND EQUIPMENT</b>	<u>31,864</u>	<u>-</u>	<u>-</u>	<u>31,864</u>
<b>Total assets</b>	<u>\$ 7,670,604</u>	<u>\$ 764,607</u>	<u>\$ (655)</u>	<u>\$ 8,434,556</u>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 48,083	\$ 655	\$ (655)	\$ 48,083
Accrued vacation	29,169	-	-	29,169
Operations payable	1,392,822	-	-	1,392,822
Community collaboratives payable	504,218	-	-	504,218
Custodial funds	44,111	-	-	44,111
Deferred revenue	55,041	-	-	55,041
Allocations payable	2,140,475	-	-	2,140,475
Designations payable	2,068,782	-	-	2,068,782
	<u>6,282,701</u>	<u>655</u>	<u>(655)</u>	<u>6,282,701</u>
<b>Total current liabilities</b>				
<b>NET ASSETS</b>				
Unrestricted				
Designated				
Reserve for operations	1,387,903	-	-	1,387,903
Board designated endowment	-	497,586	-	497,586
Temporarily restricted	-	266,366	-	266,366
	<u>1,387,903</u>	<u>763,952</u>	<u>-</u>	<u>2,151,855</u>
<b>Total net assets</b>				
<b>Total liabilities and net assets</b>	<u>\$ 7,670,604</u>	<u>\$ 764,607</u>	<u>\$ (655)</u>	<u>\$ 8,434,556</u>

United Way of Lincoln and Lancaster County and Controlled Foundation

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

June 30, 2015

ASSETS

	United Way of Lincoln and Lancaster County	United Way of Lincoln and Lancaster County Foundation, Inc.	Eliminations	Consolidated
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 3,408,636	\$ 54,564	\$ -	\$ 3,463,200
Certificates of deposit	1,091,448	-	-	1,091,448
Investments	-	729,088	-	729,088
Unconditional promises to give from campaigns	2,904,038	5,250	-	2,909,288
Less allowance for uncollectible promises to give	(282,409)	-	-	(282,409)
Accounts receivable	38,997	10,250	(10,250)	38,997
Prepaid expenses	23,303	-	-	23,303
	<u>7,184,013</u>	<u>799,152</u>	<u>(10,250)</u>	<u>7,972,915</u>
<b>Total current assets</b>				
<b>PROPERTY AND EQUIPMENT</b>	<u>33,909</u>	<u>-</u>	<u>-</u>	<u>33,909</u>
<b>Total assets</b>	<u>\$ 7,217,922</u>	<u>\$ 799,152</u>	<u>\$ (10,250)</u>	<u>\$ 8,006,824</u>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 73,380	\$ -	\$ -	\$ 73,380
Accrued vacation	29,340	-	-	29,340
Accrued expenses	5,019	-	-	5,019
Operations payable	1,304,903	-	-	1,304,903
Community collaboratives payable	389,848	-	(10,250)	379,598
Custodial funds	46,057	-	-	46,057
Deferred revenue	83,946	5,000	-	88,946
Allocations payable	2,130,058	-	-	2,130,058
Designations payable	1,930,737	-	-	1,930,737
	<u>5,993,288</u>	<u>5,000</u>	<u>(10,250)</u>	<u>5,988,038</u>
<b>Total current liabilities</b>				
<b>NET ASSETS</b>				
Unrestricted				
Designated				
Reserve for operations	1,224,634	-	-	1,224,634
Board designated endowment	-	512,750	-	512,750
Temporarily restricted	-	281,402	-	281,402
	<u>1,224,634</u>	<u>794,152</u>	<u>-</u>	<u>2,018,786</u>
<b>Total net assets</b>				
<b>Total liabilities and net assets</b>	<u>\$ 7,217,922</u>	<u>\$ 799,152</u>	<u>\$ (10,250)</u>	<u>\$ 8,006,824</u>

United Way of Lincoln and Lancaster County and Controlled Foundation

CONSOLIDATING STATEMENT OF ACTIVITIES

Year ended June 30, 2016

	United Way of Lincoln and Lancaster County	United Way of Lincoln and Lancaster County Foundation, Inc.	Consolidated
<b>CHANGE IN NET ASSETS</b>			
Revenue and other support			
Total amounts raised	\$ 7,080,387	\$ 1,095	\$ 7,081,482
Provision for uncollectible	(236,659)	-	(236,659)
Amounts designated by donors for specific organizations	<u>(2,537,620)</u>	<u>-</u>	<u>(2,537,620)</u>
Total net contributions	<u>4,306,108</u>	<u>1,095</u>	<u>4,307,203</u>
Other revenue			
Investment income	11,586	2,928	14,514
Service fees	148,177	-	148,177
Sponsorship and special events	95,058	-	95,058
In-kind contributions	147,816	-	147,816
Grant income	<u>10,754</u>	<u>-</u>	<u>10,754</u>
Total other revenue	<u>413,391</u>	<u>2,928</u>	<u>416,319</u>
Total revenue and support	<u>4,719,499</u>	<u>4,023</u>	<u>4,723,522</u>
Program distributions			
Allocations distributed to affiliated agencies	2,092,058	-	2,092,058
Community initiatives and other funds distributed to affiliated agencies	1,508,970	10,000	1,518,970
Funds distributed to nonaffiliated agencies	<u>1,703,034</u>	<u>7,250</u>	<u>1,710,284</u>
Total program distributions	5,304,062	17,250	5,321,312
Less: distributions funded through donor designations	<u>(2,537,620)</u>	<u>-</u>	<u>(2,537,620)</u>
Net program distributions	<u>2,766,442</u>	<u>17,250</u>	<u>2,783,692</u>
Expenses			
Management and general	221,890	-	221,890
Fund distribution and planning	561,812	-	561,812
Campaign	730,099	-	730,099
Marketing and communications	208,318	-	208,318
Foundation operating expenses	<u>-</u>	<u>16,973</u>	<u>16,973</u>
Total functional expenses	1,722,119	16,973	1,739,092
Other program expenses	<u>67,669</u>	<u>-</u>	<u>67,669</u>
Total expenses	<u>1,789,788</u>	<u>16,973</u>	<u>1,806,761</u>
INCREASE (DECREASE) IN NET ASSETS	163,269	(30,200)	133,069
Net assets, beginning of year	<u>1,224,634</u>	<u>794,152</u>	<u>2,018,786</u>
Net assets, end of year	<u>\$ 1,387,903</u>	<u>\$ 763,952</u>	<u>\$ 2,151,855</u>



United Way of Lincoln and Lancaster County and Controlled Foundation

CONSOLIDATING STATEMENT OF ACTIVITIES

Year ended June 30, 2015

	United Way of Lincoln and Lancaster County	United Way of Lincoln and Lancaster County Foundation, Inc.	Eliminations	Consolidated
<b>CHANGE IN NET ASSETS</b>				
Revenue and other support				
Total amounts raised	\$ 7,051,186	\$ 28,411	\$ (7,500)	\$ 7,072,097
Provision for uncollectible Amounts designated by donors for specific organizations	(229,269)	-	-	(229,269)
	<u>(2,650,038)</u>	<u>-</u>	<u>-</u>	<u>(2,650,038)</u>
Total net contributions	<u>4,171,879</u>	<u>28,411</u>	<u>(7,500)</u>	<u>4,192,790</u>
Other revenue				
Investment income	9,702	16,550	-	26,252
Service fees	150,437	-	-	150,437
Sponsorship and special events	93,930	-	-	93,930
In-kind contributions	135,440	-	-	135,440
Grant income	17,907	-	-	17,907
	<u>407,416</u>	<u>16,550</u>	<u>-</u>	<u>423,966</u>
Total other revenue	<u>407,416</u>	<u>16,550</u>	<u>-</u>	<u>423,966</u>
Total revenue and support	<u>4,579,295</u>	<u>44,961</u>	<u>(7,500)</u>	<u>4,616,756</u>
Program distributions				
Allocations distributed to affiliated agencies	2,082,058	-	-	2,082,058
Community initiatives and other funds distributed to affiliated agencies	1,428,773	3,750	(7,500)	1,425,023
Funds distributed to nonaffiliated agencies	1,836,913	10,000	-	1,846,913
	<u>5,347,744</u>	<u>13,750</u>	<u>(7,500)</u>	<u>5,353,994</u>
Total program distributions	<u>5,347,744</u>	<u>13,750</u>	<u>(7,500)</u>	<u>5,353,994</u>
Less: distributions funded through donor designations	<u>(2,650,038)</u>	<u>-</u>	<u>-</u>	<u>(2,650,038)</u>
Net program distributions	<u>2,697,706</u>	<u>13,750</u>	<u>(7,500)</u>	<u>2,703,956</u>
Expenses				
Management and general	208,458	-	-	208,458
Fund distribution and planning	557,712	-	-	557,712
Campaign	698,425	-	-	698,425
Marketing and communications	200,404	-	-	200,404
Foundation operating expenses	-	10,529	-	10,529
	<u>1,664,999</u>	<u>10,529</u>	<u>-</u>	<u>1,675,528</u>
Total functional expenses	<u>1,664,999</u>	<u>10,529</u>	<u>-</u>	<u>1,675,528</u>
Other program expenses	<u>34,183</u>	<u>-</u>	<u>-</u>	<u>34,183</u>
Total expenses	<u>1,699,182</u>	<u>10,529</u>	<u>-</u>	<u>1,709,711</u>
<b>INCREASE IN NET ASSETS</b>	182,407	20,682	-	203,089
Net assets, beginning of year	<u>1,042,227</u>	<u>773,470</u>	<u>-</u>	<u>1,815,697</u>
Net assets, end of year	<u>\$ 1,224,634</u>	<u>\$ 794,152</u>	<u>\$ -</u>	<u>\$ 2,018,786</u>

United Way of Lincoln and Lancaster County and Controlled Foundation

CONSOLIDATING STATEMENT OF EXPENSES

Year ended June 30, 2016

	United Way of Lincoln and Lancaster County	United Way of Lincoln and Lancaster County Foundation, Inc.	Consolidated
Salaries	\$ 870,617	\$ -	\$ 870,617
Employee benefits	151,069	-	151,069
Payroll taxes	62,503	-	62,503
	<hr/>	<hr/>	<hr/>
Total salaries and related expenses	1,084,189	-	1,084,189
Professional fees	59,247	2,975	62,222
Supplies	7,317	-	7,317
Telephone	15,104	-	15,104
Postage	9,402	101	9,503
Occupancy	102,703	-	102,703
Rental, purchase and maintenance of equipment	10,474	-	10,474
Printing and advertising	192,861	5,476	198,337
Campaign supplies	6,442	-	6,442
Awards and recognition	5,138	-	5,138
Duplicating	4,608	-	4,608
Travel and meetings	9,713	316	10,029
Conferences, conventions, and other training	14,365	-	14,365
Membership dues	72,282	-	72,282
Subscriptions and publications	1,143	-	1,143
Insurance	7,613	-	7,613
Investment fees	-	2,859	2,859
Miscellaneous	19,631	5,246	24,877
Interviewing and relocation	120	-	120
Program initiatives	717	-	717
Special events	85,730	-	85,730
Other program expenses	67,669	-	67,669
	<hr/>	<hr/>	<hr/>
Total before depreciation	1,776,468	16,973	1,793,441
Depreciation of property and equipment	13,320	-	13,320
	<hr/>	<hr/>	<hr/>
TOTAL EXPENSES	<u>\$ 1,789,788</u>	<u>\$ 16,973</u>	<u>\$ 1,806,761</u>

United Way of Lincoln and Lancaster County and Controlled Foundation

CONSOLIDATING STATEMENT OF EXPENSES

Year ended June 30, 2015

	United Way of Lincoln and Lancaster County	United Way of Lincoln and Lancaster County Foundation, Inc.	Consolidated
Salaries	\$ 846,681	\$ -	\$ 846,681
Employee benefits	140,123	-	140,123
Payroll taxes	61,500	-	61,500
	<hr/>	<hr/>	<hr/>
Total salaries and related expenses	1,048,304	-	1,048,304
Professional fees	64,965	2,750	67,715
Supplies	7,991	-	7,991
Telephone	14,537	-	14,537
Postage	8,183	4	8,187
Occupancy	99,085	-	99,085
Rental, purchase and maintenance of equipment	10,667	-	10,667
Printing and advertising	186,395	54	186,449
Campaign supplies	4,746	-	4,746
Awards and recognition	6,745	-	6,745
Duplicating	4,881	-	4,881
Travel and meetings	9,061	325	9,386
Conferences, conventions, and other training	7,234	-	7,234
Membership dues	70,932	-	70,932
Subscriptions and publications	1,151	-	1,151
Insurance	7,316	-	7,316
Investment fees	-	2,787	2,787
Miscellaneous	15,715	4,609	20,324
Interviewing and relocation	115	-	115
Program initiatives	385	-	385
Special events	80,744	-	80,744
Other program expenses	34,183	-	34,183
	<hr/>	<hr/>	<hr/>
Total before depreciation	1,683,335	10,529	1,693,864
Depreciation of property and equipment	15,847	-	15,847
	<hr/>	<hr/>	<hr/>
TOTAL EXPENSES	\$ 1,699,182	\$ 10,529	\$ 1,709,711

United Way of Lincoln and Lancaster County and Controlled Foundation

SCHEDULE OF AGENCY ALLOCATIONS,  
GRANTS, CONTRACTS AND DESIGNATIONS

Year ended June 30, 2016

AFFILIATED AGENCIES

American Red Cross, Cornhusker Chapter	\$ 78,000
The Arc of Lincoln/Lancaster County	5,000
Asian Community and Cultural Center	10,000
Boys and Girls Clubs of Lincoln/Lancaster County	25,000
CASA for Lancaster County (Court Appointed Special Advocates)	21,000
Catholic Social Services	43,000
CEDARS Youth Services	381,500
Center for People in Need	25,000
City Impact	35,000
Clyde Malone Community Center	50,000
Community Action Partnership of Lancaster and Saunders County	95,000
Community CROPS	11,000
Cornhusker Council #324 Boy Scouts of America	5,000
El Centro de las Americas	40,000
Family Service Association of Lincoln	165,000
Food Bank of Lincoln	40,000
Foundation for Lincoln Public Schools	17,500
Fresh Start Home	30,000
Friendship Home of Lincoln	78,500
Good Neighbor Community Center	25,000
Guidance to Success Youth Club	5,000
Heartland Big Brothers/Big Sisters	72,500
HUB - Central Access Point for Young Adults	50,000
League of Human Dignity, Inc.	5,000
Legal Aid of Nebraska	15,000
Lighthouse	72,200
Lincoln Literacy Council	33,000
Lincoln Medical Education Partnership	20,000
Lincoln/Lancaster County Child Advocacy Center	77,250
Lincoln/Lancaster County Child Guidance Center	175,000
Lux Center for the Arts	5,000
Matt Talbot Kitchen and Outreach	28,000
Mourning Hope	20,000
Northeast Family Center	40,000
People's City Mission	15,000
St. Monica's Home	28,250
TeamMates Mentoring Program of LPS	64,358
Salvation Army Lincoln, Nebraska Corps.	76,000
Voices of Hope, Lincoln	79,000
Volunteer Partners	16,000
Willard Community Center	10,000
YWCA Lincoln	5,000
Designations and other funds distributed to affiliated agencies	<u>1,518,970</u>
	3,611,028
Designations and other funds distributed to nonaffiliated agencies	<u>1,710,284</u>
	<u>\$ 5,321,312</u>

United Way of Lincoln and Lancaster County and Controlled Foundation

SCHEDULE OF AGENCY ALLOCATIONS,  
GRANTS, CONTRACTS AND DESIGNATIONS

Year ended June 30, 2015

AFFILIATED AGENCIES

American Red Cross, Cornhusker Chapter	\$ 78,000
The Arc of Lincoln/Lancaster County	5,000
Asian Community and Cultural Center	10,000
Boys and Girls Clubs of Lincoln/Lancaster County	25,000
CASA for Lancaster County (Court Appointed Special Advocates)	21,000
Catholic Social Services	43,000
CEDARS Youth Services	381,500
Center for People in Need	25,000
City Impact	35,000
Clyde Malone Community Center	50,000
Community Action Partnership of Lancaster and Saunders County	95,000
Community CROPS	11,000
Cornhusker Council #324 Boy Scouts of America	5,000
El Centro de las Americas	40,000
Family Service Association of Lincoln	165,000
Food Bank of Lincoln	40,000
Foundation for Lincoln Public Schools	17,500
Fresh Start Home	30,000
Friendship Home of Lincoln	78,500
Good Neighbor Community Center	25,000
Guidance to Success Youth Club	5,000
Heartland Big Brothers/Big Sisters	72,500
HUB - Central Access Point for Young Adults	50,000
League of Human Dignity, Inc.	5,000
Legal Aid of Nebraska	15,000
Lighthouse	72,200
Lincoln Literacy Council	33,000
Lincoln Medical Education Partnership	20,000
Lincoln/Lancaster County Child Advocacy Center	77,250
Lincoln/Lancaster County Child Guidance Center	175,000
Lux Center for the Arts	5,000
Matt Talbot Kitchen and Outreach	28,000
Mourning Hope	20,000
Northeast Family Center	40,000
People's City Mission	15,000
St. Monica's Home	28,250
TeamMates Mentoring Program of LPS	64,358
Salvation Army Lincoln, Nebraska Corps.	76,000
Voices of Hope, Lincoln	79,000
Volunteer Partners	16,000
Willard Community Center	10,000
YWCA Lincoln	5,000
Amount reallocated from year ended June 30, 2014 distributions	(10,000)
Designations and other funds distributed to affiliated agencies	<u>1,425,023</u>

	3,507,081
Designations and other funds distributed to nonaffiliated agencies	<u>1,846,913</u>
	<u>\$ 5,353,994</u>