

HEARTLAND UNITED WAY, INC.

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION**

December 31, 2016 and 2015

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Heartland United Way, Inc.

We have audited the accompanying financial statements of Heartland United Way, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities, functional expenses, and cash flows for the years then ended, the related notes of the financial statements.

Management's Responsibility for the Financial Statements

The Organization's 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 the 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 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 opinion.

SHAREHOLDERS

Robert D. Almquist
Phillip D. Maltzahn
Terry T. Galloway
Marcy J. Luth
Heidi A. Ashby
Christine R. Shenk
Michael E. Hoback
Joseph P. Stump
Kyle R. Overturf

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Heartland United Way, Inc., as of December 31, 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 audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The Distribution of Campaign Funds 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.

*Arngquist, Mathyahn,
Galloway & Luth, PC*

Grand Island, Nebraska
March 8, 2017

HEARTLAND UNITED WAY, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2016 and 2015

	<u>Office Fund</u>	<u>General Fund</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 191,726	\$ 981,569
Investments (note C)	-	-
Prepaid expense	7,879	66,410
Accounts receivable - other	4,908	-
Pledges receivable (notes A4 and E)		
2015 - net of allowance for uncollectible pledges of \$76,285 in 2015	-	-
2016 - net of allowance for uncollectible pledges of \$71,099 in 2015 and 2016	-	43,015
2017 - net of allowance for uncollectible pledges of \$76,910 in 2016	-	820,882
Total current assets	204,513	1,911,876
EQUIPMENT, AT COST (note A5)		
Equipment	83,344	-
Less accumulated depreciation	(40,337)	-
	43,007	-
TOTAL ASSETS	\$ 247,520	\$ 1,911,876
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Allocations payable	\$ -	\$ 1,236,124
Donor designations payable (note A10)	-	461,831
Accrued payroll taxes	836	-
Accrued payroll and vacation	15,347	-
Other payroll withholdings	78	-
Accounts payable	12,534	-
Total current liabilities	28,795	1,697,955
NET ASSETS		
Unrestricted	202,962	-
Temporarily restricted (note F)	15,763	213,921
Permanently restricted (note F)	-	-
Total net assets	218,725	213,921
TOTAL LIABILITIES AND NET ASSETS	\$ 247,520	\$ 1,911,876

See notes to financial statements.

Contingency Fund	Investment Fund	Total All Funds	
		2016	2015
\$ 276,611	\$ -	\$ 1,449,906	\$ 1,410,404
352,635	344,952	697,587	645,873
-	-	74,289	82,841
-	-	4,908	1,661
-	-	-	64,141
-	-	43,015	799,139
-	-	820,882	-
<u>629,246</u>	<u>344,952</u>	<u>3,090,587</u>	<u>3,004,059</u>
-	-	83,344	76,259
-	-	(40,337)	(33,557)
<u>-</u>	<u>-</u>	<u>43,007</u>	<u>42,702</u>
<u>\$ 629,246</u>	<u>\$ 344,952</u>	<u>\$ 3,133,594</u>	<u>\$ 3,046,761</u>
\$ -	\$ -	\$ 1,236,124	\$ 1,251,359
-	-	461,831	395,903
-	-	836	75
-	-	15,347	14,670
-	-	78	74
-	-	12,534	13,780
<u>-</u>	<u>-</u>	<u>1,726,750</u>	<u>1,675,861</u>
629,246	344,952	1,177,160	1,123,357
-	-	229,684	247,543
-	-	-	-
<u>629,246</u>	<u>344,952</u>	<u>1,406,844</u>	<u>1,370,900</u>
<u>\$ 629,246</u>	<u>\$ 344,952</u>	<u>\$ 3,133,594</u>	<u>\$ 3,046,761</u>

HEARTLAND UNITED WAY, INC.

STATEMENTS OF ACTIVITIES

Years ended December 31, 2016 and 2015

	<u>Office Fund</u>	<u>General Fund</u>
CHANGES IN UNRESTRICTED NET ASSETS		
Revenues		
Contributions and grants	\$ 9,628	\$ -
Interest and dividends	-	1,851
Administration fee - donor designations	54,009	-
Loss on disposal of equipment	(676)	-
Unrealized gain (loss) on investments	-	-
	62,961	1,851
Net assets released from restrictions (note G)		
Satisfaction of program restrictions	18,200	420,684
	81,161	422,535
Expenses		
Functional expenses	423,938	69,430
Depreciation expense	9,177	-
	433,115	69,430
Increase (decrease) in unrestricted net assets before other adjustments	(351,954)	353,105
Other adjustments		
Interfund transfers	353,105	(353,105)
	1,151	-
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS		
Total amount raised in campaign - net of uncollectible pledges of \$76,910 in 2016 and \$71,099 in 2015	-	1,971,334
Less: Amounts designated by donors for specific organizations	-	(937,635)
Total contributions	-	1,033,699
Funds allocated to agencies	-	(1,589,930)
Less: Allocations funded through donor designations	-	937,635
Allocations of campaign contributions to various agencies	-	(652,295)
Collection of prior year pledges in excess of estimated net collectible	-	26,444
Other temporarily restricted contributions	13,177	-
Net assets released from restrictions (note G)	(18,200)	(420,684)
	(5,023)	(12,836)
	(3,872)	(12,836)
Net assets at beginning of year	222,597	226,757
Net assets at end of year	\$ 218,725	\$ 213,921

See notes to financial statements.

Contingency Fund	Investment Fund	Total All Funds	
		2016	2015
\$ -	\$ -	\$ 9,628	\$ (6,144)
15,482	10,889	28,222	38,096
-	-	54,009	46,211
-	-	(676)	-
13,435	13,050	26,485	(27,811)
<u>28,917</u>	<u>23,939</u>	<u>117,668</u>	<u>50,352</u>
-	-	438,884	570,629
<u>28,917</u>	<u>23,939</u>	<u>556,552</u>	<u>620,981</u>
10	194	493,572	449,470
-	-	9,177	7,575
<u>10</u>	<u>194</u>	<u>502,749</u>	<u>457,045</u>
28,907	23,745	53,803	163,936
-	-	-	-
<u>28,907</u>	<u>23,745</u>	<u>53,803</u>	<u>163,936</u>
-	-	1,971,334	1,864,845
-	-	(937,635)	(896,273)
-	-	1,033,699	968,572
-	-	(1,589,930)	(1,521,730)
-	-	937,635	896,273
-	-	(652,295)	(625,457)
-	-	26,444	40,105
-	-	13,177	20,786
-	-	(438,884)	(570,629)
-	-	(17,859)	(166,623)
28,907	23,745	35,944	(2,687)
<u>600,339</u>	<u>321,207</u>	<u>1,370,900</u>	<u>1,373,587</u>
<u>\$ 629,246</u>	<u>\$ 344,952</u>	<u>\$ 1,406,844</u>	<u>\$ 1,370,900</u>

HEARTLAND UNITED WAY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

Years ended December 31, 2016 and 2015

	2016				Total All Funds
	Community <u>Impact</u>	<u>Admin.</u>	<u>Campaign</u>	<u>Investment</u>	
Salaries	\$ 136,528	\$ 60,679	\$ 55,623	\$ -	\$ 252,830
Employee benefits	17,620	7,831	7,178	-	32,629
Payroll taxes	11,157	4,958	4,545	-	20,660
Professional fees	7,833	1,808	2,410	194	12,245
Office supplies	3,481	2,486	2,320	-	8,287
Campaign supplies	265	-	58,383	-	58,648
Telephone	2,264	1,422	1,580	-	5,266
Postage	1,388	1,157	2,083	-	4,628
Occupancy (note B)	9,394	6,263	6,710	-	22,367
Repair and maintenance	397	363	374	-	1,134
Printing	1,583	1,097	3,412	-	6,092
Travel	1,425	537	725	-	2,687
Meetings	1,390	524	708	-	2,622
Dues	7,080	6,099	7,072	-	20,251
Insurance	1,642	1,297	1,383	-	4,322
Dolly Parton Imagination					
Library expenses	20,594	-	-	-	20,594
Holiday Program expenses	18,167	-	-	-	18,167
Discretionary funds	143	-	-	-	143
 Total functional expenses	 <u>\$ 242,351</u>	 <u>\$ 96,521</u>	 <u>\$ 154,506</u>	 <u>\$ 194</u>	 <u>\$ 493,572</u>

See notes to financial statements.

2015

Community <u>Impact</u>	<u>Admin.</u>	<u>Campaign</u>	<u>Investment</u>	Total All <u>Funds</u>
\$ 135,278	\$ 60,124	\$ 55,114	\$ -	\$ 250,516
18,847	8,377	7,678	-	34,902
11,080	4,925	4,514	-	20,519
8,041	1,856	2,474	169	12,540
1,704	1,217	1,136	-	4,057
163	-	23,727	-	23,890
2,119	1,330	1,478	-	4,927
2,003	1,669	3,005	-	6,677
9,479	6,320	6,771	-	22,570
177	162	167	-	506
2,006	1,388	4,319	-	7,713
2,149	811	1,094	-	4,054
480	181	245	-	906
6,013	5,187	6,003	-	17,203
2,097	1,655	1,765	-	5,517
23,891	-	-	-	23,891
8,618	-	-	-	8,618
464	-	-	-	464
<u>\$ 234,609</u>	<u>\$ 95,202</u>	<u>\$ 119,490</u>	<u>\$ 169</u>	<u>\$ 449,470</u>

HEARTLAND UNITED WAY, INC.

STATEMENTS OF CASH FLOWS

December 31, 2016 and 2015

	<u>Office Fund</u>	<u>General Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ (3,872)	\$ (12,836)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation expense	9,177	-
Loss on disposal of equipment	676	-
Unrealized (gain) loss on investments	-	-
Noncash donation	(5,100)	-
(Increase) decrease in:		
Prepaid expense	(6,131)	14,683
Accounts receivable - other	(3,407)	160
Pledges receivable	-	(617)
Increase (decrease) in:		
Allocations and donor designations payable	-	50,693
Accrued payroll and vacations	677	-
Accrued payroll taxes and payroll withholdings	765	-
Accounts payable	(1,246)	-
Net cash provided by operating activities	(8,461)	52,083
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment	(5,058)	-
Purchase of investments	-	-
Net cash used by investing activities	(5,058)	-
Net increase (decrease) in cash and cash equivalents	(13,519)	52,083
Cash and cash equivalents - beginning of year	205,245	929,486
Cash and cash equivalents - end of year	\$ 191,726	\$ 981,569
Supplemental cash flow information:		
Receipt of donated vehicle	\$ 5,100	\$ -

See notes to financial statements.

Contingency Fund	Investment Fund	Total All Funds	
		2016	2015
\$ 28,907	\$ 23,745	\$ 35,944	\$ (2,687)
-	-	9,177	7,575
-	-	676	-
(13,435)	(13,050)	(26,485)	27,811
-	-	(5,100)	-
-	-	8,552	(6,823)
-	-	(3,247)	4,281
-	-	(617)	129,817
-	-	50,693	(80,756)
-	-	677	987
-	-	765	(7,883)
-	-	(1,246)	(17,390)
15,472	10,695	69,789	54,932
-	-	(5,058)	(5,769)
(14,534)	(10,695)	(25,229)	(35,515)
(14,534)	(10,695)	(30,287)	(41,284)
938	-	39,502	13,648
275,673	-	1,410,404	1,396,756
\$ 276,611	\$ -	\$ 1,449,906	\$ 1,410,404
\$ -	\$ -	\$ 5,100	\$ -

HEARTLAND UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS

December 31, 2016 and 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Nature of Operations

Heartland United Way, Inc., is a nonprofit organization engaged primarily in soliciting and collecting contributions from individuals and businesses in the Hall, Hamilton, Howard, and Merrick county areas, which it then allocates as support to its member agencies and other organizations. Contributions received in the form of pledges are unsecured.

2. Basis of Accounting and Presentation

Heartland United Way, Inc., uses the accrual basis of accounting, in conformity with the recommendations of the American Institute of Certified Public Accountants for Voluntary Health and Welfare Organizations. Under this method of accounting, revenues and expenses are recorded as incurred, without regard to the date of receipt or payment of cash.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards Codification regarding *Financial Statements of Not-for-Profit Organizations*. Under SFAS Codification Standards, 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.

3. Fund Accounting

In order to ensure observance of limitations and restrictions placed on use of resources available to the Organization, fund accounting is used to classify resources in accordance with activities or objectives specified.

Office Fund - is used to account for the operations of the Heartland United Way, Inc., local office. The fund also includes other designated resources available for support of office operations.

General Fund - is used to account for annual campaign pledges, collections, and allocations.

Contingency Fund - includes certain funds that are designated by the board to be retained for use in the event of an emergency such as a local disaster or a reduced campaign response, etc.

HEARTLAND UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS, Continued

December 31, 2016 and 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

3. Fund Accounting, continued

Investment Fund - includes amounts of donor contributions and bequests the board has designated be put in the Investment Fund, where the principal remains intact, with the interest being currently reinvested in the Fund.

4. Allowance for Uncollectible Pledges

The Organization provides an allowance for uncollectible pledges at the time campaign revenues are recorded. The allowance is estimated based on prior years' experience. At December 31, 2016, 5.0 percent of the 2017 general campaign revenues, or \$76,910, was recorded as an allowance for uncollectible pledges on the general campaign.

At December 31, 2015, 5.0 percent of the 2016 general campaign revenues, or \$71,099, was recorded as an allowance for uncollectible pledges on the general campaign.

5. Equipment

Property and equipment are stated at cost. Donated equipment is recorded at fair market value at the date of the donation. The Organization capitalizes equipment with a cost/value greater than \$1,000. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, principally on a straight-line basis. The estimated lives used in determining depreciation on the equipment range from five to seven years.

6. Income Taxes

As a nonprofit organization, Heartland United Way, Inc., is exempt from income taxes in accordance with Internal Revenue Code Section 501(c)(3). As of December 31, 2016, the 2013, 2014, and 2015 tax years are open for examination by the IRS.

7. Cash and Cash Equivalents

The Organization considers all cash and certificates of deposit, excluding the investments in the Investment Fund, to be cash and cash equivalents.

8. Donated Services

A substantial number of volunteers have donated significant amounts of their time in the Organization's program services and its fundraising campaigns. However, no amounts have been reflected in the statements for donated services, since no objective basis is available to measure the value of such services.

HEARTLAND UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS, Continued

December 31, 2016 and 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

9. Estimates

The preparation of these financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

10. Contributions

The Organization accounts for contributions in accordance with the recommendations of the Financial Accounting Standards Board in the SFAS Codification Standards regarding *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS Codification Standards, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

The Organization also follows the SFAS Codification Standard regarding *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others*. Under this Statement, donations received with specific donor designations over which the Organization does not have variance power cannot be included in the revenue of Heartland United Way. These designated donor contributions are recorded as a liability until they are remitted to the designated beneficiaries.

11. Promises To Give

Unconditional promises to give, less an allowance for uncollectible amounts, are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses, depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

HEARTLAND UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS, Continued

December 31, 2016 and 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

12. Total Columns

Total columns are presented to facilitate financial analysis. Data in these columns does not present financial position, results of operations, and changes in fund balances in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

Comparative totals for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Organization's financial position and operations. However, complete comparative data (i.e., presentation of prior year totals by fund type) has not been presented since its inclusion would make the statements unduly complex and difficult to read.

NOTE B - RENT/LEASE EXPENSE

On March 7, 2014, Heartland United Way, Inc., entered into a lease for office space owned by Wedgewood, Inc. Monthly rent of \$1,550 is due under terms of the lease commencing July 1, 2014 through June 30, 2021. Rent was increased \$50 per month effective December 2015 through the end of the lease for the addition of a lighted sign.

Total lease expense for 2016 and 2015 was \$19,200 and \$18,650, respectively.

Total minimum lease commitments for the succeeding years are as follows:

2017	\$ 19,200
2018	19,200
2019	19,200
2020	19,200
2021	<u>9,600</u>
	<u>\$ 86,400</u>

NOTE C - INVESTMENT FUND

The Organization has been the beneficiary of bequest money, which the Board of Directors has voted to place in an Investment Fund. The Fund is invested with Edward Jones. The account holdings consist of bond funds and mutual funds. Interest earned in this Fund is to be used for the overall benefit of the member agencies. Each year the Board of Directors directs how those funds will be spent. In 2016 and 2015, the interest was reinvested back into the Fund.

HEARTLAND UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS, Continued

December 31, 2016 and 2015

NOTE C - INVESTMENT FUND, continued

During the year ended December 31, 1999, the Organization transferred \$5,000 of investments to the Grand Island Community Foundation. Investment income earned on this investment will be allocated to the Organization annually. The Community Foundation investment balance was \$8,840 and \$8,397 at December 31, 2016 and 2015, respectively.

The Organization values investments in accordance with Statement of Financial Accounting Codification Standards, which requires nonprofit organizations to value their investments at current market value, recognizing both realized and unrealized gains and losses.

	December 31, 2016			December 31, 2015		
	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gain (Loss)</u>	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gain (Loss)</u>
Edward Jones:						
American Balanced	\$ 265,351	\$ 352,635	\$ 87,284	\$ 250,817	\$ 324,666	\$ 73,849
Capital World						
Growth and Income	33,318	34,288	970	42,150	43,046	896
Small Cap World Fund	75,415	89,055	13,640	15,108	16,447	1,339
Growth Fund of						
America	38,510	56,399	17,889	49,971	74,225	24,254
Intermediate Bond Fund	85,411	84,545	(866)	84,194	83,910	(284)
Investment Company of						
America	<u>55,252</u>	<u>71,825</u>	<u>16,573</u>	<u>78,182</u>	<u>95,182</u>	<u>17,000</u>
	553,257	688,747	135,490	520,422	637,476	117,054
Grand Island Community						
Foundation	<u>6,922</u>	<u>8,840</u>	<u>1,918</u>	<u>6,890</u>	<u>8,397</u>	<u>1,507</u>
	<u>\$ 560,179</u>	<u>\$ 697,587</u>	<u>\$ 137,408</u>	<u>\$ 527,312</u>	<u>\$ 645,873</u>	<u>\$ 118,561</u>

All investments at December 31, 2016 and 2015, consist of Level 1 investments which have quoted prices in active markets for identical assets. The Organization does not hold any Level 2 (measured using significant other observable inputs) nor Level 3 (measured using significant unobservable inputs) investments.

HEARTLAND UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS, Continued

December 31, 2016 and 2015

NOTE D - DESIGNATION OF INTEREST INCOME

The Board has designated that the interest earned in the General Fund and Contingency Fund accounts be accumulated to be used for the purchase of office equipment, furniture, and other Board-directed expenses. Interest earned during 2016 was \$1,851 on the General Fund and \$948 on the Contingency Fund. Interest earned during 2015 was \$1,468 on the General Fund and \$945 on the Contingency Fund.

NOTE E - PROMISES TO GIVE

Unconditional promises to give at December 31, 2016 and 2015, are as follows:

	<u>2016</u>	<u>2015</u>
2017 campaign pledges receivable	\$ 897,792	\$ -
2016 campaign pledges receivable	114,114	870,238
2015 campaign pledges receivable	<u>-</u>	<u>140,426</u>
Total campaign pledges receivable	1,011,906	1,010,664
Less allowance for uncollectible pledges receivable	(<u>148,009</u>)	(<u>147,384</u>)
Net unconditional pledges receivable at December 31,	\$ <u>863,897</u>	\$ <u>863,280</u>

As of December 31, 2016, these pledges receivable are expected to be collected as follows:

Receivable in less than one year	\$ 863,897
Receivable between one and five years	-
Receivable after five years	<u>-</u>
Net pledges receivable at December 31, 2016	\$ <u>863,897</u>

HEARTLAND UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS, Continued

December 31, 2016 and 2015

NOTE F - RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets at December 31, 2016 and 2015, were available for the following purposes or periods:

	<u>2016</u>	<u>2015</u>
General allocations to agencies in 2017	\$ 213,921	\$ -
General allocations to agencies in 2016	-	226,757
Go Big Give	7,385	5,955
Disaster Relief –COAD	617	657
Toys for Tots	3,670	11,878
Adopt a Family	<u>4,091</u>	<u>2,296</u>
	<u>\$ 229,684</u>	<u>\$ 247,543</u>

There were no net assets that had been permanently restricted by donors as of December 31, 2016 and 2015. The Investment Fund comprises only board-designated funds.

NOTE G - RELEASE OF DONOR RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by donors.

	<u>2016</u>	<u>2015</u>
Purpose restrictions accomplished:		
General allocations to agencies	\$ <u>438,884</u>	\$ <u>570,629</u>

NOTE H - RETIREMENT PLAN

In January 2001, the Organization established a 403(b) Plan, which was updated in 2011. Under the plan, the Organization contributes 4.5 percent of each qualified employee's gross income to the plan. Qualified employees are full-time employees who have completed their 90-day introductory period. The employees can also elect to contribute a portion of their salary to the plan. During the years ended December 31, 2016 and 2015, retirement expense was \$9,715 and \$10,319, respectively.

HEARTLAND UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS, Continued

December 31, 2016 and 2015

NOTE I - OVERHEAD RATIO

The overhead ratio is equal to fundraising, management, and general expenses divided by total campaign support and other revenue sources.

	<u>2016</u>	<u>2015</u>
A. Numerator:		
Administrative expenses	\$ 96,521	\$ 95,202
Campaign expense	154,506	119,490
Investment expense	<u>194</u>	<u>169</u>
Total Supporting Service expenses	<u>\$ 251,221</u>	<u>\$ 214,861</u>
B. Denominator:		
Campaign Contributions	\$ 1,033,699	\$ 968,572
Add: Amounts designated for specific agencies	937,635	896,273
Prior year campaign contributions	26,444	40,105
Other revenue sources	<u>105,036</u>	<u>98,949</u>
	<u>\$ 2,102,814</u>	<u>\$ 2,003,899</u>
Overhead Ratio (A÷B)	<u>11.9%</u>	<u>10.7%</u>

Overhead Ratio by Expense Category:

Administrative expense	4.6%	4.7%
Campaign expense	7.3	6.0
Investment expense	<u>-</u>	<u>-</u>
	<u>11.9%</u>	<u>10.7%</u>

NOTE J – CONCENTRATIONS OF CREDIT RISK

The Organization maintains cash balances at several financial institutions located in Grand Island, Nebraska. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

At December 31, 2016 and 2015, all bank deposits were fully collateralized by FDIC insurance and surety bond coverage.

NOTE K – SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 8, 2017, the date on which the financial statements were available for issue.

SUPPLEMENTAL INFORMATION

HEARTLAND UNITED WAY, INC.
DISTRIBUTION OF CAMPAIGN FUNDS

	Budgeted for the Year Ending December 31, 2017		Actual Distribution For The Year Ended December 31, 2016	
	Amount	%	Amount	%
CONTRIBUTIONS RECEIVED/PLEDGED	\$ 2,048,893	100.0 %	\$ 1,935,944	100.0 %
Allowance for uncollectible pledges	(76,910)	(3.8)	(71,099)	(3.7)
Administration, volunteer engagement and fundraising	(205,703)	(10.0)	(199,363)	(10.3)
Campaign expenses - car give-away	(56,000)	(2.7)	(27,065)	(1.4)
Community impact and community investment process	(114,725)	(5.6)	(111,384)	(5.7)
Designations - United Way agencies	(370,426)	(18.1)	(323,618)	(16.7)
Designations - Go Big Give	(510,695)	(24.9)	(513,971)	(26.5)
Designations - Non-United Way agencies	(41,896)	(2.1)	(45,589)	(2.4)
Designations - Paid directly to agencies	(14,618)	(0.7)	(13,095)	(0.7)
Designations - Combined federal campaign	(5,625)	(0.3)	(5,303)	(0.3)
AVAILABLE FOR DISTRIBUTION	\$ 652,295	31.8 %	\$ 625,457	32.3 %
 PARTNER AGENCY ALLOCATIONS THROUGH COMMUNITY INVESTMENT DISTRIBUTION				
Partner Agencies:				
American Red Cross -				
Central Plains Chapter	\$ -	- %	\$ 20,000	1.0 %
Big Brothers/Big Sisters	55,000	2.7	40,000	2.1
Boy Scouts of America -				
Overland Trails Council	62,000	3.0	60,000	3.1
Boys Town	8,800	0.4	-	-
Central Nebraska Council on Alcoholism	75,000	3.7	79,270	4.1
Crisis Center	30,150	1.5	27,400	1.4
Friendship House	-	-	25,000	1.3
Girl Scouts - Spirit of Nebraska	15,000	0.7	15,000	0.8
Heartland CASA	41,125	2.0	41,250	2.1
Hope Harbor	100,000	4.9	102,450	5.3
Legal Aid	7,500	0.4	-	-
Literacy Council	17,000	0.8	-	-
Lutheran Family Services	50,000	2.4	52,200	2.7
Multicultural Coalition	36,950	1.8	34,500	1.8
Nebraska Children's Home Society	7,000	0.3	-	-
TeamMates of Grand Island	5,000	0.2	-	-
Third City Community Clinic	40,000	2.0	40,000	2.1
YMCA	15,500	0.8	16,500	0.8
YWCA	43,700	2.1	58,850	3.0
Community programs and services:				
Community Impact grant program	-	-	13,037	0.7
Area counties and schools	35,000	1.7	-	-
211 Program	7,570	0.4	-	-
TOTAL	\$ 652,295	31.8 %	\$ 625,457	32.3 %