

**UNITED WAY OF THE KEARNEY AREA, INC.  
KEARNEY, NEBRASKA**

**FINANCIAL REPORT**  
*(Reviewed)*

**DECEMBER 31, 2017**

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# **C O N T E N T S**

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## **INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

Board of Directors  
United Way of the Kearney Area, Inc.  
Kearney, Nebraska

We have reviewed the accompanying financial statements of United Way of the Kearney Area, Inc. (a not-for-profit organization), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### ***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.

### ***Accountant's Responsibility***

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

*Accountant's Conclusion*

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

**KSO CPA's, P.C.**

KSO CPA's, P.C.  
Kearney, Nebraska  
May 18, 2018

**UNITED WAY OF THE KEARNEY AREA, INC.**

**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2017 and 2016

<b>ASSETS</b>	<u>2017</u>	<u>2016</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 273,380	\$ 287,211
Prepaid expenses	1,712	2,329
Contributions receivable, net	250,945	247,513
Other receivables	<u>6,636</u>	<u>10,000</u>
<b>Total current assets</b>	<b>\$ 532,673</b>	<b>\$ 547,053</b>
<b>PROPERTY AND EQUIPMENT</b>		
Equipment (at cost)	\$ 46,566	\$ 45,746
Less accumulated depreciation	<u>(36,307)</u>	<u>(33,821)</u>
<b>Property and equipment, net</b>	<b>\$ 10,259</b>	<b>\$ 11,925</b>
<b>Total assets</b>	<b><u>\$ 542,932</u></b>	<b><u>\$ 558,978</u></b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 4,299	\$ 1,171
Accrued compensated absences	6,356	6,818
Sales tax payable	64	8
Payroll taxes payable	<u>1,362</u>	<u>2,715</u>
<b>Total liabilities</b>	<b><u>\$ 12,081</u></b>	<b><u>\$ 10,712</u></b>
 <b>NET ASSETS</b>		
Unrestricted:		
Undesignated	\$ 48,390	\$ 27,663
Designated by Board for special projects	281	24,742
Designated by Board for operations	<u>140,000</u>	<u>140,000</u>
<b>Total unrestricted</b>	<b>\$ 188,671</b>	<b>\$ 192,405</b>
Temporarily restricted	<u>342,180</u>	<u>355,861</u>
<b>Total net assets</b>	<b><u>\$ 530,851</u></b>	<b><u>\$ 548,266</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 542,932</u></b>	<b><u>\$ 558,978</u></b>

See notes to financial statements and independent accountant's review report.

**UNITED WAY OF THE KEARNEY AREA, INC.**

**STATEMENT OF ACTIVITIES**  
**For the year ended December 31, 2017**

	2017		
	Unrestricted	Temporarily Restricted	Total
<b>REVENUES AND OTHER SUPPORT</b>			
Contributions	\$ 19,156	\$ 383,265	\$ 402,421
Contributed materials and services	2,585	-	2,585
Investment income	8,391	-	8,391
Miscellaneous income	1,143	-	1,143
Net assets released from restrictions:			
Restrictions satisfied by the passage of time	396,946	(396,946)	-
<b>Total revenues and other support</b>	<b>\$ 428,221</b>	<b>\$ (13,681)</b>	<b>\$ 414,540</b>
<b>EXPENSES</b>			
Community services	\$ 340,918	\$ -	\$ 340,918
General and administrative	56,579	-	56,579
Fundraising	34,458	-	34,458
<b>Total expenses</b>	<b>\$ 431,955</b>	<b>\$ -</b>	<b>\$ 431,955</b>
Change in net assets	\$ (3,734)	\$ (13,681)	\$ (17,415)
<b>Net Assets, beginning of year</b>	<b>192,405</b>	<b>355,861</b>	<b>548,266</b>
<b>Net Assets, end of year</b>	<b>\$ 188,671</b>	<b>\$ 342,180</b>	<b>\$ 530,851</b>

See notes to financial statements and independent accountant's review report.

**UNITED WAY OF THE KEARNEY AREA, INC.**

**STATEMENT OF ACTIVITIES**  
**For the year ended December 31, 2016**

	<b>2016</b>		
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
<b>REVENUES AND OTHER SUPPORT</b>			
Contributions	\$ 30,123	\$ 385,627	\$ 415,750
Contributed materials and services	5,712	-	5,712
Investment income	3,626	-	3,626
Miscellaneous income	11,897	-	11,897
Net assets released from restrictions:			
Restrictions satisfied by the passage of time	<u>432,526</u>	<u>(432,526)</u>	<u>-</u>
<b>Total revenues and other support</b>	<b><u>\$ 483,884</u></b>	<b><u>\$ (46,899)</u></b>	<b><u>\$ 436,985</u></b>
<b>EXPENSES</b>			
Community services	\$ 346,165	\$ -	\$ 346,165
General and administrative	61,841	-	61,841
Fundraising	<u>39,536</u>	<u>-</u>	<u>39,536</u>
<b>Total expenses</b>	<b><u>\$ 447,542</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 447,542</u></b>
Change in net assets	\$ 36,342	\$ (46,899)	\$ (10,557)
<b>Net Assets, beginning of year</b>	<u>156,063</u>	<u>402,760</u>	<u>558,823</u>
<b>Net Assets, end of year</b>	<b><u>\$ 192,405</u></b>	<b><u>\$ 355,861</u></b>	<b><u>\$ 548,266</u></b>

See notes to financial statements and independent accountant's review report.

**UNITED WAY OF THE KEARNEY AREA, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES  
For the year ended December 31, 2017**

	<b>2017</b>			
	<b>Community Services</b>	<b>General and Administrative</b>	<b>Fund- raising</b>	<b>Total</b>
<b>PERSONNEL COSTS</b>				
Salaries and wages	\$ 24,128	\$ 36,819	\$ 12,424	\$ 73,371
Employee benefits	392	1,112	392	1,896
Payroll taxes	1,924	2,933	1,026	5,883
<b>Total personnel costs</b>	<b>\$ 26,444</b>	<b>\$ 40,864</b>	<b>\$ 13,842</b>	<b>\$ 81,150</b>
<b>EXPENSES</b>				
Agency funding	\$ 262,024	\$ -	\$ -	\$ 262,024
Shoes 4 kids	24,481	-	-	24,481
Bank charges	-	384	1,040	1,424
Supplies	473	1,034	783	2,290
Telephone	1,425	1,805	1,380	4,610
Postage and shipping	-	-	1,340	1,340
Insurance	760	1,521	761	3,042
Rental and maintenance of equipment	1,346	608	1,926	3,880
Prizes and awards	-	-	317	317
Occupancy	5,680	5,680	5,680	17,040
Printing and publications	69	81	1,530	1,680
Travel	-	-	500	500
Conferences, conventions and meetings	382	452	507	1,341
Professional fees	1,050	1,050	1,050	3,150
Scholarship	3,844	-	-	3,844
Membership dues & subscriptions	1,733	1,829	1,758	5,320
Community Impact Grant	10,000	-	-	10,000
Miscellaneous	-	64	837	901
<b>Total expenses</b>	<b>\$ 313,267</b>	<b>\$ 14,508</b>	<b>\$ 19,409</b>	<b>\$ 347,184</b>
<b>Total personnel costs and expenses before depreciation</b>	<b>\$ 339,711</b>	<b>\$ 55,372</b>	<b>\$ 33,251</b>	<b>\$ 428,334</b>
Depreciation	1,207	1,207	1,207	3,621
<b>Total expenses</b>	<b>\$ 340,918</b>	<b>\$ 56,579</b>	<b>\$ 34,458</b>	<b>\$ 431,955</b>
<b>Percentage of total expense</b>	<b><u>78.9%</u></b>	<b><u>13.1%</u></b>	<b><u>8.0%</u></b>	<b><u>100.0%</u></b>

See notes to financial statements and independent accountant's review report.



UNITED WAY OF THE KEARNEY AREA, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
For the year ended December 31, 2016

	2016			
	Community Services	General and Administrative	Fund- raising	Total
<b>PERSONNEL COSTS</b>				
Salaries and wages	\$ 35,445	\$ 40,113	\$ 14,895	\$ 90,453
Employee benefits	550	875	145	1,570
Payroll taxes	3,025	3,464	1,171	7,660
<b>Total personnel costs</b>	<u>\$ 39,020</u>	<u>\$ 44,452</u>	<u>\$ 16,211</u>	<u>\$ 99,683</u>
<b>EXPENSES</b>				
Agency funding	\$ 277,434	\$ -	\$ -	\$ 277,434
Summer food program	2,916	-	-	2,916
2-1-1 telephone service	3,291	-	-	3,291
Shoes 4 kids	5,331	-	51	5,382
Bank charges	-	419	1,811	2,230
Supplies	414	1,445	1,228	3,087
Telephone	1,178	1,178	1,227	3,583
Postage and shipping	-	56	1,473	1,529
Insurance	778	1,557	779	3,114
Rental and maintenance of equipment	1,413	705	1,641	3,759
Prizes and awards	-	124	266	390
Occupancy	5,680	5,680	5,680	17,040
Printing and publications	326	396	3,018	3,740
Travel	48	526	238	812
Conferences, conventions and meetings	469	686	668	1,823
Professional fees	1,498	1,498	1,498	4,494
Scholarship	3,397	-	-	3,397
Membership dues & subscriptions	1,883	2,030	1,985	5,898
Miscellaneous	67	67	741	875
<b>Total expenses</b>	<u>\$ 306,123</u>	<u>\$ 16,367</u>	<u>\$ 22,304</u>	<u>\$ 344,794</u>
<b>Total personnel costs and expenses before depreciation</b>	<u>\$ 345,143</u>	<u>\$ 60,819</u>	<u>\$ 38,515</u>	<u>\$ 444,477</u>
Depreciation	1,022	1,022	1,021	3,065
<b>Total expenses</b>	<u>\$ 346,165</u>	<u>\$ 61,841</u>	<u>\$ 39,536</u>	<u>\$ 447,542</u>
<b>Percentage of total expense</b>	<u>77.3%</u>	<u>13.9%</u>	<u>8.8%</u>	<u>100.0%</u>

See notes to financial statements and independent accountant's review report.

**UNITED WAY OF THE KEARNEY AREA, INC.**

**STATEMENTS OF CASH FLOWS**  
**For the years ended December 31, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (17,415)	\$ (10,557)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	3,621	3,065
(Increase) decrease in other receivables	3,364	(5,886)
(Increase) decrease in prepaid expenses	617	(674)
(Increase) decrease in contributions receivable	(3,432)	8,976
Increase (decrease) in accounts payable	3,128	(2,957)
Increase (decrease) in accrued compensated absences	(462)	(2,534)
Increase (decrease) in accrued and other liabilities	(1,297)	(1,065)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (11,876)</b>	<b>\$ (11,632)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Equipment purchased	\$ (1,955)	\$ (5,982)
<b>Net cash provided by (used in) investing activities</b>	<b>\$ (1,955)</b>	<b>\$ (5,982)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>\$ (13,831)</b>	<b>\$ (17,614)</b>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<b>287,211</b>	<b>304,825</b>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b>\$ 273,380</b>	<b>\$ 287,211</b>

See notes to financial statements and independent accountant's review report.

**UNITED WAY OF THE KEARNEY AREA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017 AND 2016**

Note 1. **Summary of Significant Accounting Policies**

**Nature of Activities:**

The United Way of the Kearney Area, Inc. is a not-for-profit voluntary health and welfare agency established to increase the overall quality of life for those in the region. To accomplish its mission, the United Way of the Kearney Area, Inc. conducts fundraising campaigns and distributes resources to various agencies that are involved in providing human services throughout the Kearney area. The United Way of the Kearney Area, Inc.'s primary funding source is donor contributions.

**Basis of Presentation:**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the United Way of the Kearney Area, Inc. and changes therein are classified and reported as follows:

**Unrestricted net assets** - Net assets that are not subject to donor-imposed stipulations. Unrestricted, designated net assets are a self-imposed limit by the Board of Directors to cover a portion of the next year's allocations and operating expenses.

**Temporarily restricted net assets** - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the United Way of the Kearney Area, Inc. and/or the passage of time. 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 subject to donor-imposed stipulations that the United Way of the Kearney Area, Inc. maintain them permanently. Generally, the donors of these assets permit the United Way of the Kearney Area, Inc. to use all or part of the income earned on any related investments for general or specific purposes. At year-end, the organization does not have any permanently restricted net assets.

**UNITED WAY OF THE KEARNEY AREA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017 AND 2016**

Note 1. **Summary of Significant Accounting Policies (continued)**

**Cash Equivalents:**

For purposes of the statement of cash flows, the United Way of the Kearney Area, Inc. considers all cash and other highly liquid investments with initial maturities of twelve months or less to be cash equivalents.

**Equipment:**

Equipment is stated at cost. Depreciation is computed on a straight-line basis over the estimated useful lives of the respective assets. Depreciation expense for the years ended December 31, 2017 and 2016, was \$3,621 and \$3,065 respectively.

**Contributions:**

Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value.

**Contributed Materials and Services:**

Contributed materials and services represent the estimated fair value of materials and general corporate services provided. Contributed materials amounted to \$2,585 in 2017 and \$5,712 in 2016. Contributed services are reflected in the financial statements at the fair value of the services received. The contributions of services are recognized if the services received either (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

**Functional Allocation of Expenses:**

The costs of providing United Way of the Kearney Area, Inc.'s various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Income Taxes:**

The United Way of the Kearney Area, Inc. is exempt from Federal income taxes under Internal Revenue Code Section 501(c)(3) and therefore has made no provision for Federal income taxes. There was no unrelated business income for years ending December 31, 2017 and 2016.

**UNITED WAY OF THE KEARNEY AREA, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016**

Note 1. **Summary of Significant Accounting Policies (continued)**

**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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2. **Cash and Investments**

The United Way of the Kearney Area, Inc. maintains cash balances at several financial institutions. The Federal Deposit Insurance Corporation insures accounts at each institution up to \$250,000. As of December 31, 2017, the United Way of the Kearney Area, Inc. had bank balances totaling \$199,319. All balances were covered by FDIC insurance.

Cash and cash equivalents consist of the following at December 31, 2017:

Deposits at banks	\$ 195,867
Invested at foundations	77,413
Cash on hand	<u>100</u>
Total cash and cash equivalents	<u>\$ 273,380</u>

Note 3. **Contributions Receivable**

Contributions receivable for 2017 consists of pledges for both the 2017 and the 2018 campaigns. A breakdown of the contributions receivable and the allowance for doubtful accounts is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>
Contributions Receivable	\$ 40,187	\$ 238,070	\$ 278,257
Allowance	<u>(11,612)</u>	<u>(15,700)</u>	<u>(27,312)</u>
Net	<u>\$ 28,575</u>	<u>\$ 222,370</u>	<u>\$ 250,945</u>

**UNITED WAY OF THE KEARNEY AREA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017 AND 2016**

Note 4. **SIMPLE Plan**

The United Way of the Kearney Area, Inc. started a Savings Incentive Match Plan for Employees (SIMPLE) plan for its employees on January 1, 2007. The employer agrees to provide matching contributions in each calendar year to the Individual Retirement Accounts (IRA's) of all eligible employees up to a limit of 3% of compensation for the year. Eligible employees are those who will receive at least \$5,000 in compensation for the calendar year and who received at least \$5,000 in compensation during the previous calendar year. Effective September of 2016, the plan was amended so eligible participants include all employees who have completed the probationary period.

Contributions to the plan for the years ending December 31, 2017 and 2016, were \$1,896 and \$1,570 respectively.

Note 5. **Leases**

On May 18, 2015, the United Way of the Kearney Area, Inc. entered into a lease for office space with Johnson Imperial Home Company for a term of two years (June 1, 2015 to May 31, 2017) with an annual rental cost of \$17,040 payable in monthly installments of \$1,420. On May 22, 2017, the lease was extended for a one-year term (June 1, 2017 to May 31, 2018) with an annual rental cost of \$17,040 payable in monthly installments of \$1,420. Utilities are paid by Johnson Imperial Home Company. The United Way of the Kearney Area, Inc. is responsible for telephone expenses.

The future minimum rental expense under this lease is as follows:

	Total
2018	<u>\$ 7,100</u>

Note 6. **Compensated Absences**

The Company has entered into negotiated agreements with personnel. In those agreements they have agreed to benefits for paid time off. In accordance with accounting principles generally accepted in the United States of America these benefits are accrued until paid.

**UNITED WAY OF THE KEARNEY AREA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017 AND 2016**

Note 7. **Uncertain Tax Positions**

Accounting principles generally accepted in the United States of America require the Company to evaluate tax positions taken by the Company and recognize a tax liability (or asset) if the Company has taken an uncertain tax position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Company is subject to routine audits by taxing jurisdictions; however there are currently no audits for any tax periods in progress. The Company has open tax years subject to income tax examinations for the years ending December 31, 2015, 2016, and 2017.

The Company's policy is to include penalties and interest associated with income taxes as income tax expense and interest expense respectively. The Company did not incur any penalties or interest on income taxes for the periods being reported.

Note 8. **Subsequent Events**

Upon evaluation, the Company notes that there were no material subsequent events between the date of the financial statements and May 18, 2018, the date that the financial statements were issued or available to be issued.