

**United Way of the Midlands
United Way of the Midlands Foundation
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
For the year ended June 30, 2015**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors

United Way of the Midlands and the United Way of the Midlands Foundation

We have audited the accompanying consolidating statement of financial position of the United Way of the Midlands and the United Way of the Midlands Foundation (collectively, the Organization), not-for-profit organizations, as of June 30, 2015, and the related consolidating statement of activities, functional expenses, and cash flows for the year ended June 30, 2015.

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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 audit opinion.

Opinion

In our opinion, the consolidating financial statements referred to above present fairly, in all material respects, the individual and consolidated financial position of the Organization as of June 30, 2015, and the change in net assets and cash flows for the year then ended June 30, 2015, in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Organization's 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 17, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Hayes & Associates, L.L.C.
Omaha, Nebraska
September 25, 2015

United Way of the Midlands and the United Way of the Midlands Foundation
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2015
(With comparative totals for 2014)

	United Way of	United Way of	Eliminating	Consolidating Totals	
	the Midlands	the Midlands		Entries	2015
ASSETS					
Cash and cash equivalents	\$ 5,129,494	\$ 339,898	\$ -	\$ 5,469,392	\$ 7,276,526
Cash held for others	778,460	-	-	778,460	642,647
Contributions receivable - future campaigns	10,000	-	-	10,000	-
Contributions receivable - 2014 campaign (less uncollectible allowance of \$1,029,833)	7,834,731	-	-	7,834,731	6,712,801
Other receivables and prepaid expenses	163,865	105,972	-	269,837	201,942
Investments	5,073,187	4,269,792	-	9,342,979	9,389,061
Beneficial interest in net assets held by the Omaha Community Foundation	-	2,158,036	-	2,158,036	2,205,711
Beneficial interest in net assets of the United Way of the Midlands Foundation	6,873,698	-	(6,873,698)	-	-
Land, building and equipment (net of accumulated depreciation of \$168,281)	324,895	-	-	324,895	1,107,279
Land, building and equipment available for sale (net of accumulated depreciation of \$2,281,292)	1,005,313	-	-	1,005,313	-
Total assets	<u>\$ 27,193,643</u>	<u>\$ 6,873,698</u>	<u>\$ (6,873,698)</u>	<u>\$ 27,193,643</u>	<u>\$ 27,535,967</u>
LIABILITIES					
Accounts payable and accrued expenses	\$ 156,577	\$ -	\$ -	\$ 156,577	\$ 132,625
Accrued payroll and related liabilities	328,838	-	-	328,838	242,964
Refundable advance	-	-	-	-	200,000
Undistributed allocations and designations payable for the current period campaign	15,224,827	-	-	15,224,827	15,162,002
Total liabilities	<u>15,710,242</u>	<u>-</u>	<u>-</u>	<u>15,710,242</u>	<u>15,737,591</u>
NET ASSETS					
Unrestricted net assets					
Board designated reserve	8,118,589	-	-	8,118,589	5,789,996
Quasi endowment	3,524,654	3,524,654	(3,524,654)	3,524,654	3,505,986
Operating	(4,149,558)	-	-	(4,149,558)	(1,924,856)
Total unrestricted net assets	<u>7,493,685</u>	<u>3,524,654</u>	<u>(3,524,654)</u>	<u>7,493,685</u>	<u>7,371,126</u>
Temporarily restricted net assets	640,672	-	-	640,672	950,824
Permanently restricted net assets	3,349,044	3,349,044	(3,349,044)	3,349,044	3,476,426
Total net assets	<u>11,483,401</u>	<u>6,873,698</u>	<u>(6,873,698)</u>	<u>11,483,401</u>	<u>11,798,376</u>
Total liabilities and net assets	<u>\$ 27,193,643</u>	<u>\$ 6,873,698</u>	<u>\$ (6,873,698)</u>	<u>\$ 27,193,643</u>	<u>\$ 27,535,967</u>

See accompanying notes and independent auditor's report.

United Way of the Midlands and the United Way of the Midlands Foundation
CONSOLIDATING STATEMENT OF ACTIVITIES
For the year ended June 30, 2015
(With comparative totals for 2014)

	United Way of the Midlands			United Way of the Midlands Foundation			Eliminating Entries	Consolidating Totals		
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Permanently Restricted		Total	2015	2014
REVENUE AND OTHER SUPPORT										
Contributions and reclassification										
Campaign contributions for the 2014 Fall Campaign										
Contributions received for the current period	\$ 21,386,047	\$ -	\$ -	\$ 21,386,047	\$ -	\$ -	\$ -	\$ -	\$ 21,386,047	\$ 22,210,738
Contributions from Endowment Perpetual Gift Fund	97,452	123,019	-	220,471	-	-	-	(220,471)	-	-
Contributions received for the prior period (net assets released from restriction)	305,261	(305,261)	-	-	-	-	-	-	-	-
Gross campaign results	21,788,760	(182,242)	-	21,606,518	-	-	-	(220,471)	21,386,047	22,210,738
Less donor designations	(4,190,472)	-	-	(4,190,472)	-	-	-	-	(4,190,472)	(4,751,567)
Less allowance for uncollectible pledges	(1,029,833)	-	-	(1,029,833)	-	-	-	-	(1,029,833)	(1,251,010)
Total campaign contributions for the current allocation period	16,568,455	(182,242)	-	16,386,213	-	-	-	(220,471)	16,165,742	16,208,161
Campaign contributions applicable to the prior year campaign										
Collection on pledges in excess of prior year allowance	681,925	-	-	681,925	-	-	-	-	681,925	443,150
Total campaign contributions applicable to the next allocation period	681,925	-	-	681,925	-	-	-	-	681,925	443,150
Total campaign contributions	17,250,380	(182,242)	-	17,068,138	-	-	-	(220,471)	16,847,667	16,651,311
Other contributions										
Contributions applicable to upcoming fall campaign	-	49,877	-	49,877	-	-	-	-	49,877	60,643
Contributions restricted for offsetting campaign expenses	39,615	2,385	-	42,000	-	-	-	-	42,000	73,751
Contributions to the endowment	-	-	-	-	139,542	-	139,542	-	139,542	245,983
Contributions for executive search process	75,000	-	-	75,000	-	-	-	-	75,000	21,875
Contributions for special events and miscellaneous	12,720	-	-	12,720	-	-	-	-	12,720	-
Contributions for community initiatives	-	-	-	-	-	-	-	-	-	6,666
Contributed goods and services	98,020	-	-	98,020	-	-	-	-	98,020	155,500
Total other contributions	225,355	52,262	-	277,617	139,542	-	139,542	-	417,159	564,418
Total contributions	17,475,735	(129,980)	-	17,345,755	139,542	-	139,542	(220,471)	17,264,826	17,215,729

(Continued)

United Way of the Midlands and the United Way of the Midlands Foundation
CONSOLIDATING STATEMENT OF ACTIVITIES - CONTINUED
For the year ended June 30, 2015
(With comparative totals for 2014)

	United Way of the Midlands			United Way of the Midlands Foundation			Eliminating Entries	Consolidating Totals		
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Permanently Restricted		Total	2015	2014
REVENUE AND OTHER SUPPORT - CONTINUED										
Government grants	\$ 50,613	\$ -	\$ -	\$ 50,613	\$ -	\$ -	\$ -	\$ -	\$ 50,613	\$ 50,019
Private grants	647,947	-	-	647,947	-	-	-	-	647,947	736,955
Investment income	16,160	-	-	16,160	103,929	54,476	158,405	-	174,565	183,071
Investment income - Board restricted	100,317	-	-	100,317	-	-	-	-	100,317	83,831
Realized and unrealized gains and losses on investments, net	(31,198)	-	-	(31,198)	132,877	(181,858)	(48,981)	-	(80,179)	1,064,515
Donor designation fees	369,504	-	-	369,504	-	-	-	-	369,504	389,588
Changes in beneficial interest in net assets held by the United Way of the Midlands Foundation	18,668	-	(127,382)	(108,714)	-	-	-	108,714	-	-
Contract fees	245,242	-	-	245,242	-	-	-	-	245,242	193,600
Other income	51,683	-	-	51,683	-	-	-	-	51,683	31,326
Released from restriction	180,172	(180,172)	-	-	-	-	-	-	-	-
Total revenues and other support	19,124,843	(310,152)	(127,382)	18,687,309	376,348	(127,382)	248,966	(111,757)	18,824,518	19,948,634
ALLOCATIONS AND OTHER FUNCTIONAL EXPENSES										
Allocations and designations to agencies	17,402,096	-	-	17,402,096	-	-	-	-	17,402,096	17,615,363
Less total designations to agencies	(4,190,473)	-	-	(4,190,473)	-	-	-	-	(4,190,473)	(4,751,567)
Total allocations	13,211,623	-	-	13,211,623	-	-	-	-	13,211,623	12,863,796
Direct community services provided by United Way	2,909,444	-	-	2,909,444	-	-	-	-	2,909,444	2,613,706
Total allocations and direct community services	16,121,067	-	-	16,121,067	-	-	-	-	16,121,067	15,477,502
Other functional expenses										
Program services	-	-	-	-	220,471	-	220,471	(220,471)	-	-
Fundraising	2,079,557	-	-	2,079,557	137,209	-	137,209	-	2,216,766	1,927,954
Management and general	801,660	-	-	801,660	-	-	-	-	801,660	1,076,067
Total other functional expenses	2,881,217	-	-	2,881,217	357,680	-	357,680	(220,471)	3,018,426	3,004,021
Total allocations, designations, direct community services and other functional expenses	19,002,284	-	-	19,002,284	357,680	-	357,680	(220,471)	19,139,493	18,481,523
CHANGE IN NET ASSETS	122,559	(310,152)	(127,382)	(314,975)	18,668	(127,382)	(108,714)	108,714	(314,975)	1,467,111
NET ASSETS, BEGINNING OF YEAR	7,371,126	950,824	3,476,426	11,798,376	3,505,986	3,476,426	6,982,412	(6,982,412)	11,798,376	10,331,265
NET ASSETS, END OF YEAR	\$ 7,493,685	\$ 640,672	\$ 3,349,044	\$ 11,483,401	\$ 3,524,654	\$ 3,349,044	\$ 6,873,698	\$ (6,873,698)	\$ 11,483,401	\$ 11,798,376

See accompanying notes and independent auditor's report.

United Way of the Midlands and the United Way of the Midlands Foundation
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2015
(With comparative totals for 2014)

	United Way of the Midlands						Program and Support Total
	Program Services			Support Services			
	Community Impact	Other Program Services	Total Program Services	Fundraising	Management and General	Total Support Services	
Allocations and designation to agencies							
Total allocations and designations to agencies	\$ 17,402,096	\$ -	\$ 17,402,096	\$ -	\$ -	\$ -	\$ 17,402,096
Less total designations to agencies	(4,190,473)	-	(4,190,473)	-	-	-	(4,190,473)
Net allocations to agencies	13,211,623	-	13,211,623	-	-	-	13,211,623
Personnel costs							
Salaries	354,157	1,524,965	1,879,122	1,094,972	322,998	1,417,970	3,297,092
Employee benefits	68,122	294,669	362,791	211,582	62,413	273,995	636,786
Payroll taxes	25,208	118,886	144,094	85,364	25,181	110,545	254,639
Total personnel costs	447,487	1,938,520	2,386,007	1,391,918	410,592	1,802,510	4,188,517
Professional fees	27,425	60,525	87,950	61,435	264,512	325,947	413,897
Supplies	759	1,258	2,017	17,298	24,128	41,426	43,443
Telephone	16,123	21,300	37,423	11,170	2,863	14,033	51,456
Postage and shipping	346	1,451	1,797	11,845	3,624	15,469	17,266
Occupancy	15,238	49,881	65,119	45,114	11,565	56,679	121,798
Equipment leasing and maintenance	17,904	58,607	76,511	53,007	13,588	66,595	143,106
Printing, publications, and promotion	4,446	6,926	11,372	256,988	15,845	272,833	284,205
Travel and transportation	5,223	14,502	19,725	18,825	11,261	30,086	49,811
Conferences	8,996	10,441	19,437	44,439	4,830	49,269	68,706
Organizational dues	450	6,788	7,238	2,157	2,445	4,602	11,840
Awards and grants	283	4,483	4,766	33,672	2,649	36,321	41,087
Insurance	3,034	9,933	12,967	8,984	2,303	11,287	24,254
United Way Worldwide membership fee	27,813	91,046	118,859	82,345	21,109	103,454	222,313
Miscellaneous	-	467	467	324	83	407	874
Depreciation	13,523	44,266	57,789	40,036	10,263	50,299	108,088
Transfer to United Way of the Midlands	-	-	-	-	-	-	-
Total non-personnel expenses	141,563	381,874	523,437	687,639	391,068	1,078,707	1,602,144
 Total functional expenses	 \$ 13,800,673	 \$ 2,320,394	 \$ 16,121,067	 \$ 2,079,557	 \$ 801,660	 \$ 2,881,217	 \$ 19,002,284

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United Way of the Midlands and the United Way of the Midlands Foundation
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES - CONTINUED
For the year ended June 30, 2015
(With comparative totals for 2014)

	United Way of the Midlands Foundation			Eliminating Entries	Consolidating Totals	
	Program Services	Fundraising	Total		2015	2014
Allocations and designation to agencies						
Total allocations and designations to agencies	\$ -	\$ -	\$ -	\$ -	\$ 17,402,096	\$ 17,615,362
Less total designations to agencies	-	-	-	-	(4,190,473)	(4,751,566)
Net allocations to agencies	-	-	-	-	13,211,623	12,863,796
Personnel costs						
Salaries	-	68,505	68,505	-	3,365,597	2,875,914
Employee benefits	-	5,659	5,659	-	642,445	672,621
Payroll taxes	-	5,022	5,022	-	259,661	220,296
Total personnel costs	-	79,186	79,186	-	4,267,703	3,768,831
Professional fees	-	31,774	31,774	-	445,671	642,202
Supplies	-	136	136	-	43,579	70,799
Telephone	-	-	-	-	51,456	42,673
Postage and shipping	-	113	113	-	17,379	22,010
Occupancy	-	-	-	-	121,798	117,208
Equipment leasing and maintenance	-	-	-	-	143,106	78,187
Printing, publications, and promotion	-	5,111	5,111	-	289,316	309,559
Travel and transportation	-	172	172	-	49,983	40,508
Conferences	-	417	417	-	69,123	114,562
Organizational dues	-	300	300	-	12,140	6,122
Awards and grants	-	-	-	-	41,087	39,103
Insurance	-	20,000	20,000	-	44,254	36,426
United Way Worldwide membership fee	-	-	-	-	222,313	225,240
Miscellaneous	-	-	-	-	874	2,097
Depreciation	-	-	-	-	108,088	102,205
Transfer to United Way of the Midlands	220,471	-	220,471	(220,471)	-	-
Total non-personnel expenses	220,471	58,023	278,494	(220,471)	1,660,167	1,848,901
Total functional expenses	\$ 220,471	\$ 137,209	\$ 357,680	\$ (220,471)	\$ 19,139,493	\$ 18,481,528

See accompanying notes and independent auditor's report.

United Way of the Midlands and the United Way of the Midlands Foundation
CONSOLIDATING STATEMENT OF CASH FLOWS
For the year ended June 30, 2015
(With comparative totals for 2014)

	United Way of the Midlands	United Way of the Midlands Foundation	Eliminating Entries	Consolidating Totals	
				2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES					
Change in net assets	\$ (314,975)	\$ (108,714)	\$ 108,714	\$ (314,975)	\$ 1,467,111
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities					
Depreciation	108,088	-	-	108,088	102,205
Realized and unrealized gains on investments, net	31,198	48,981	-	80,179	(1,064,515)
Change in beneficial interests	108,714	-	(108,714)	-	-
Change in contributions receivable	(1,131,930)	-	-	(1,131,930)	(116,960)
Change in other receivables and prepaid expenses	(37,464)	(30,431)	-	(67,895)	136,421
Change in accounts payable and accrued expenses	43,952	(20,000)	-	23,952	(111,480)
Change in accrued payroll and related liabilities	85,874	-	-	85,874	49,780
Change in refundable advance	(200,000)	-	-	(200,000)	200,000
Change in undistributed allocations and designations payable for the current period campaign	62,825	-	-	62,825	(430,087)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(1,243,718)</u>	<u>(110,164)</u>	<u>-</u>	<u>(1,353,882)</u>	<u>232,475</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of equipment	(331,020)	-	-	(331,020)	(5,500)
Purchase of securities	(1,051,982)	(1,357,041)	-	(2,409,023)	(2,409,024)
Proceeds from sale of securities	972,696	1,449,908	-	2,422,604	2,540,103
NET CASH FROM INVESTING ACTIVITIES	<u>(410,306)</u>	<u>92,867</u>	<u>-</u>	<u>(317,439)</u>	<u>125,579</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(1,654,024)</u>	<u>(17,297)</u>	<u>-</u>	<u>(1,671,321)</u>	<u>358,054</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>7,561,978</u>	<u>357,195</u>	<u>-</u>	<u>7,919,173</u>	<u>7,561,119</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 5,907,954</u>	<u>\$ 339,898</u>	<u>\$ -</u>	<u>\$ 6,247,852</u>	<u>\$ 7,919,173</u>
RECONCILIATION TO STATEMENT OF FINANCIAL POSITION					
Cash and cash equivalents	\$ 5,129,494	\$ 339,898	\$ -	\$ 5,469,392	\$ 7,276,526
Cash held for others	778,460	-	-	778,460	642,647
Total Cash	<u>\$ 5,907,954</u>	<u>\$ 339,898</u>	<u>\$ -</u>	<u>\$ 6,247,852</u>	<u>\$ 7,919,173</u>

See accompanying notes and independent auditor's report.

United Way of the Midlands
and the United Way of the Midlands Foundation
NOTES TO CONSOLIDATING FINANCIAL STATEMENTS
For the year ended June 30, 2015

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies of United Way of the Midlands and the United Way of the Midlands Foundation (collectively, the Organization).

1. Nature of the Organizations

a. The United Way of the Midlands

The United Way of the Midlands is a not-for-profit corporation which incorporated in 1923 and is governed by a volunteer Board of Directors.

The mission of United Way of the Midlands is to improve lives by mobilizing the caring power of the Omaha-Council Bluffs-Bellevue community.

Our vision is to engage the passion, energy and resources of community partners and leaders, working together to help underserved vulnerable populations and improve people's lives to strengthen our entire metro area in the long-term.

United Way of the Midlands is a powerful partnership of people and organizations that care about our community's future. We recruit those who have the passion, expertise and resources we need to get things done. Together, we create life-changing opportunities in education, financial stability and health, the building blocks of a good life, so our neighbors can grow stronger and remain independent.

b. The United Way of the Midlands Foundation

The United Way of the Midlands Foundation is a not-for-profit corporation, incorporated in 2003, created solely and exclusively to support and benefit the United Way of the Midlands by raising assets to create sufficient earnings to: 1) fund both its direct and indirect costs as approved by the United Way of the Midlands Foundation Board of Directors in the annual operating budget; 2) to increase campaign dollars and/or offset operating costs for the United Way of the Midlands; 3) to provide flexibility in current program support; and 4) to provide future capacity as the United Way of the Midlands addresses changing human care needs in the community.

United Way of the Midlands
and the United Way of the Midlands Foundation
NOTES TO CONSOLIDATING FINANCIAL STATEMENTS - CONTINUED
For the year ended June 30, 2015

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

1. Nature of the Organizations – Continued

b. The United Way of the Midlands Foundation - Continued

The United Way of the Midlands Board of Directors approves the election of all members of the United Way of the Midlands Foundation Board, who are volunteers and are nominated by the United Way of the Midlands Foundation Board Development Committee.

Any amendments made to the United Way of the Midlands Foundation Articles of Incorporation must be approved by both the United Way of the Midlands and the United Way of the Midlands Foundation Boards of Directors.

2. Basis of Presentation and Accounting

The consolidating financial statements include the accounts of the United Way of the Midlands and the United Way of the Midlands Foundation. All significant inter-company balances and transactions were eliminated.

The consolidating financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of management's estimates. Actual results could differ from those estimates.

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and the changes therein are classified as follows:

- a. Unrestricted net assets include net assets and contributions not subject to donor-imposed stipulations. Unrestricted net assets also include assets designated by the Boards for specific purposes.

United Way of the Midlands
and the United Way of the Midlands Foundation
NOTES TO CONSOLIDATING FINANCIAL STATEMENTS - CONTINUED
For the year ended June 30, 2015

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2. Basis of Presentation and Accounting – Continued

- b. Temporarily restricted net assets include net assets and contributions subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time. After the donor-imposed time or purpose restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported within the statement of activities as net assets released from restrictions.
- c. Permanently restricted net assets include net assets and contributions subject to donor-imposed stipulations that they be maintained permanently by the United Way of the Midlands Foundation.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by donor stipulation or by law.

3. Revenue and Other Support

Contributions, including both cash gifts and unconditional promises to give due in future periods, are recognized as revenues in the period received.

Conditional promises to give, which depend upon specified future and uncertain events, are recognized as revenue when the conditions upon which they depend are substantially met. Contributions received with donor-imposed restrictions that are met in the same period as the contribution is received are reported as revenues in the unrestricted net assets.

United Way of the Midlands
and the United Way of the Midlands Foundation
NOTES TO CONSOLIDATING FINANCIAL STATEMENTS - CONTINUED
For the year ended June 30, 2015

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

3. Revenue and Other Support – Continued

Contributions of property and equipment without donor stipulations concerning the use of such long-lived assets are reported as revenues of the unrestricted net asset class. Contributions of assets other than cash are recorded at their estimated fair value at the date received. Contributions of assets other than cash or other assets to be used to acquire land and equipment are reported as revenues of the temporarily restricted net asset class. The restrictions are considered to be released at the time of acquisition of such long-lived assets.

4. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents designated for long-term purposes or received with donor-imposed restrictions limiting their use to long-term purposes are not considered cash or cash equivalents for purposes of the statement of cash flows.

5. Contributions Receivable

Provision for uncollectible allowance is computed based upon a 5 and 10 year historical average, adjusted by management estimates of current economic factors, and applied to gross campaign, including donor designations.

6. Investments

The Organization carries their investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Investments in real estate funds and complimentary strategies are stated at net asset value as a practical expedient to estimate market value. Donated investment securities are recorded as contributions at their estimated fair value at the date of donation. Unrealized gains and losses are included in the change in net assets in the statement of activities.

7. Land, Building, and Equipment

Land, building, and equipment are stated at cost at date of acquisition, or fair value at date of donation. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets. Assets which cost \$5,000 or more with a useful life of more than one year are capitalized.

United Way of the Midlands
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NOTES TO CONSOLIDATING FINANCIAL STATEMENTS - CONTINUED
For the year ended June 30, 2015

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

8. Income Taxes

The United Way of the Midlands and the United Way of the Midlands Foundation are not-for-profit organizations exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. They are not identified by the Internal Revenue Service as private foundations. The Organization recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. At June 30, 2015, the Organization had no uncertain tax positions.

The Organization's Federal Return of Organization Exempt from Income Tax returns (Form 990) for 2012, 2013, and 2014 are subject to examination by the IRS, generally for three years after they were filed.

9. Contributed Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Many individuals volunteer their time and perform a variety of tasks for the Organization which are not reflected in the financial statements.

10. Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. These costs are allocated based on the full-time employee equivalent method as prescribed by the United Way Worldwide cost allocation standards.

11. Fair Value of Financial Instruments

The carrying value of all financial instruments, including cash and cash equivalents, accounts receivable, and accounts payable approximate fair value due to their short-term nature. Investments in equity and debt securities are stated at fair value. Investments in real estate funds and complimentary strategies are stated at net asset value which approximates fair value.

United Way of the Midlands
and the United Way of the Midlands Foundation
NOTES TO CONSOLIDATING FINANCIAL STATEMENTS - CONTINUED
For the year ended June 30, 2015

NOTE B. FAIR VALUE OF FINANCIAL INSTRUMENTS

Accounting Standards Codification (ASC) 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

--Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

--Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

--Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following table presents assets that are measured at fair value on a recurring and non-recurring basis at June 30:

	Total	Level 1	Level 2	Level 3
<u>Recurring</u>				
Investments				
Cash equivalents	\$ 239,798	\$ 239,798	\$ -	\$ -
Fixed income	4,159,213	4,159,213	-	-
Equity funds	3,845,573	3,845,573	-	-
Complementary strategies*	499,984	-	499,984	-
Real estate funds*	598,411	-	598,411	-
Beneficial interest in net assets held by Omaha Community Foundation	2,158,036	-	-	2,158,036

* Investments in real estate funds and complementary strategies are reported at net asset value and can be redeemed daily. Underlying securities, including real estate properties and other investments, are generally priced using values obtained from independent pricing sources.

United Way of the Midlands
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NOTES TO CONSOLIDATING FINANCIAL STATEMENTS - CONTINUED
For the year ended June 30, 2015

NOTE B. FAIR VALUE OF FINANCIAL INSTRUMENTS – CONTINUED

The Organization uses the following methods and significant assumptions to estimate fair value.

Investments: The fair value of cash equivalent, fixed income, equity fund investments and complementary strategies is determined by obtaining quoted market prices on nationally recognized securities exchanges. The fair value of real estate fund and complimentary strategies has been estimated using the net asset value of the real estate investment trust obtained from nationally recognized sources.

Beneficial interest in net assets held by the Omaha Community Foundation: The fair value of investments is determined by obtaining quoted market prices on nationally recognized securities exchanges for the underlying portfolio.

Beneficial interest in net assets held by the Omaha Community Foundation measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

Beginning fair value	\$ 2,205,711
Total gains or losses (realized/unrealized)	49,777
Purchases	-
Issuances	-
Settlements	(97,452)
Contributions and distributions, net	-
Ending fair value	<u>\$ 2,158,036</u>

Gains and losses (realized and unrealized) on the beneficial interest in net assets held by the Omaha Community Foundation are included in unrestricted net assets for the period and are reported in the investment income – unrestricted and net gains on investments totals on the consolidating statement of activities for the year ended June 30.

United Way of the Midlands
and the United Way of the Midlands Foundation
NOTES TO CONSOLIDATING FINANCIAL STATEMENTS - CONTINUED
For the year ended June 30, 2015

NOTE C. INVESTMENTS AND BENEFICIAL INTEREST IN NET ASSETS

The investments of the United Way of the Midlands at June 30 are as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Net Gain</u>
Cash Equivalents	\$ 97,228	\$ 97,228	\$ -
Fixed Income	2,993,009	2,945,546	(47,463)
Equity Funds	1,401,191	1,654,967	253,776
Complementary Strategies	154,895	153,478	(1,417)
Real Estate Funds	204,395	221,968	17,573
Total	<u>\$ 4,850,718</u>	<u>\$ 5,073,187</u>	<u>\$ 222,469</u>

The investments of the United Way of the Midlands Foundation at June 30, 2015, are as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Net Gain</u>
Cash Equivalents	\$ 142,570	\$ 142,570	\$ -
Fixed Income	1,234,493	1,213,665	(20,828)
Equity Funds	1,764,144	2,190,608	426,464
Complementary Strategies	349,337	346,506	(2,831)
Real Estate Funds	354,352	376,443	22,091
Subtotal	3,844,896	4,269,792	424,896
Beneficial interest in net assets held by Omaha Community Foundation	1,997,540	2,158,036	160,496
Total	<u>\$ 5,842,436</u>	<u>\$ 6,427,828</u>	<u>\$ 585,392</u>

On December 17, 1998, the Organization entered into an agreement establishing a fund at Omaha Community Foundation. Although ownership and management responsibility of this fund remains with the Omaha Community Foundation, the income will continue to provide perpetual gifts to the United Way of the Midlands' campaign through distributions to the United Way of the Midlands from Omaha Community Foundation. These assets are recognized on the United Way of the Midlands Foundation's financial statements as "Beneficial Interest in the net assets held by the Omaha Community Foundation." As of June 30, 2015, the fair value of these assets is reflected in the consolidating statement of financial position.

United Way of the Midlands
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NOTES TO CONSOLIDATING FINANCIAL STATEMENTS - CONTINUED
For the year ended June 30, 2015

NOTE C. INVESTMENTS AND BENEFICIAL INTEREST IN NET ASSETS - CONTINUED

Shares in pooled investments at Omaha Community Foundation are apportioned to the following net assets classes in the United Way of the Midlands Foundation:

Unrestricted	\$ 1,403,036
Permanently Restricted	<u>755,000</u>
Total	<u>\$ 2,158,036</u>

Investment income and fees for the United Way of the Midlands and the United Way of the Midlands Foundation for the year ended June 30 are as follows:

	United Way of the Midlands	United Way of the Midlands Foundation	Total
Interest and dividend income	\$ 116,477	\$ 158,405	\$ 274,882
Realized gain/(loss) on investments	101,829	408,552	510,381
Unrealized gain/(loss) on investments	(133,027)	(457,533)	(590,560)
Investment fees	<u>(26,520)</u>	<u>(31,774)</u>	<u>(58,294)</u>
Total investment income and fees	<u>\$ 58,759</u>	<u>\$ 77,650</u>	<u>\$ 136,409</u>

NOTE D. LAND, BUILDING, AND EQUIPMENT

Land, building, and equipment consists of the following at June 30:

Land	\$ -
Building and improvements	69,086
Furniture and equipment	175,593
Computer equipment and software	229,098
Available for Sale	<u>3,286,605</u>
Total	3,779,781
Less accumulated depreciation	<u>(2,449,573)</u>
	<u>\$ 1,330,208</u>

United Way of the Midlands
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NOTES TO CONSOLIDATING FINANCIAL STATEMENTS - CONTINUED
For the year ended June 30, 2015

NOTE E. CONTRIBUTED GOODS AND SERVICES

A number of companies sponsored Loaned Executives who provided approximately 5,383 hours of service to the United Way of the Midlands. Of the 5,383 hours, 3,589 hours were sponsored by \$42,000 of contributions restricted to offsetting campaign expenses, and approximately 1,794 hours were contributed as services to the Organization. The value of such contributed services has not been recorded, as these services do not require specialized skills.

Additionally, in 2015 the United Way of the Midlands received contributed marketing, advertising, and professional services with a fair value of \$98,020. That amount is reflected in the consolidating statement of activities as contributions and fund-raising expenses within the unrestricted fund.

NOTE F. DEFINED CONTRIBUTION RETIREMENT PLAN

The Organization sponsors a 401(k) defined contribution retirement plan. Contribution expense for the year ended June 30 was \$209,978.

NOTE G. RESTRICTIONS AND LIMITATIONS ON NET ASSET BALANCES

Board Designated Reserve

The United Way of the Midlands holds investments which have been designated by the Board of Directors as a reserve restricted for expenditures which are not funded by annual campaign contributions.

Examples of such expenditures include capital purchases, funding for unbudgeted emergency services, and other miscellaneous unforeseen and/or non-routine expenditures. All expenditures charged to the Board Designated Reserve must be approved by the Board of Directors.

United Way of the Midlands
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NOTES TO CONSOLIDATING FINANCIAL STATEMENTS - CONTINUED
For the year ended June 30, 2015

NOTE H. RESTRICTIONS AND LIMITATIONS ON NET ASSET BALANCES - CONTINUED

Quasi-Endowment

Quasi-endowment net assets consist of the unrestricted portion of United Way of the Midlands Foundation net assets.

Temporarily Restricted Net Assets

Temporarily restricted net assets are assets primarily from the Fall United Way of the Midlands Campaign, which donors restricted for the following year. Temporarily restricted net assets consist of the following at June 30.

Grant and contribution funding to offset future expense	\$ 7,000
Funding to offset future direct program expenses	315,129
Contributions from Foundation for future grant disbursements	268,666
Contributions pledged for future annual campaign drives	49,877
	<u>\$ 640,671</u>

Permanently Restricted Net Assets

Permanently restricted net assets consist of investments endowed for which donor restriction stipulates that original gift be maintained permanently. Income derived from the donated assets was restricted to be used as an annual pledge to the campaign.

NOTE I. OTHER INCOME

Sources of other income for the year ended June 30:

Recovery of amounts previously written-off	\$ 38,660
Interest received on bank accounts	5,880
Miscellaneous	7,143
	<u>\$ 51,683</u>

United Way of the Midlands
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NOTES TO CONSOLIDATING FINANCIAL STATEMENTS - CONTINUED
For the year ended June 30, 2015

NOTE J. COMBINED FEDERAL CAMPAIGN

The United Way of the Midlands is the Principal Combined Fund Organization and is responsible for administrating the Combined Federal Campaign (CFC), which is a fundraising campaign for federal employees. The cost of administering the campaign is reimbursed to the Organization by CFC. The amount received during 2015 from CFC for administering the 2014 campaign was \$120,762. Contributions received by the Organization are maintained in a separate bank account and are accounted for as funds held for others. The Organization honors all designations made to each member organization by distributing a proportionate share of receipts based on donor designations to each member.

NOTE K. PARTICIPATION PARTNER AGREEMENTS

The United Way of the Midlands has a contractual agreement with the Community Health Charities of Nebraska (CHC) whereby these two agencies would conduct a joint fund-raising campaign in the counties of Douglas, Sarpy, and Pottawattamie. Under the contract, CHC receives 5% of the “adjusted net campaign contributions” as defined by the terms of the agreement.

The United Way of the Midlands has agreed to be a national distributor for certain companies. Payroll deductions are forwarded to the United Way of the Midlands where these funds are distributed on a quarterly basis to all United Way organizations. No administrative fee is charged, however, the short-term income earned on the funds while they reside in the Organization’s accounts is used to offset the cost of providing this service. As of June 30, 2015 \$268,568 was included in cash and cash equivalents and in undistributed funds payable for the current period campaign.

NOTE L. DONOR RESTRICTED ENDOWMENT FUNDS

The Organization maintains one endowment fund which the income derived from the fund is restricted to be used as an annual pledge to the campaign. As required by generally accepted accounting principles, net assets and the changes therein associated with endowment funds, including fund designations by the Board of Directors to function as endowments are classified and reported based on the existence or absence of donor-imposed restrictions.

United Way of the Midlands
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NOTES TO CONSOLIDATING FINANCIAL STATEMENTS - CONTINUED
For the year ended June 30, 2015

NOTE L. DONOR RESTRICTED ENDOWMENT FUNDS - CONTINUED

The Nebraska Uniform Prudent Management of Institutional Funds Act (NUPMIFA) was enacted April 4, 2007. NUPMIFA sets out guidelines to be considered when managing and investing donor restricted endowment funds. The Organization has interpreted NUPMIFA as requiring the preservation of the whole dollar value of the original gift as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Organization classifies as permanently restricted net assets the original value of gifts donated to the permanent endowment and the original value of subsequent gifts to the permanent endowment. Interest, dividends, and net appreciation of the donor-restricted endowment funds is classified according to donor stipulations, if any.

Absent any donor-imposed restrictions, interest, dividends, and net appreciation (depreciation) of donor-restricted endowment funds is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by NUPMIFA.

In accordance with NUPMIFA, 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 endowment fund;
- 2) the purposes of the Organization and the donor-restricted endowment fund;
- 3) general economic conditions;
- 4) the possible effect of inflation or deflation;
- 5) the expected total return from income and the appreciation of investments;
- 6) other resources of the Organization; and
- 7) the investment policy of the Organization.

Investment Return Objectives, Risk Parameters and Strategies

The Organization has adopted investment and spending policies, approved by the United Way of the Midlands Foundation Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term.

United Way of the Midlands
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NOTES TO CONSOLIDATING FINANCIAL STATEMENTS - CONTINUED
For the year ended June 30, 2015

NOTE L. DONOR RESTRICTED ENDOWMENT FUNDS – CONTINUED

Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk.

Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return.

Therefore, the Organization expects its endowment assets, over time, to produce an average rate of return of approximately 8% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy

The Organization has a policy for the assets held by the Omaha Community Foundation of appropriating for distribution each year 4.5% of its endowment fund's market value as of December 31 of the year proceeding the calendar year in which the distribution is planned. This amount is restricted to be utilized as a perpetual gift to the annual United Way of the Midlands campaign drive. The unrestricted income from these assets is utilized only to fund the direct costs of the United Way of the Midlands Foundation. In establishing this policy, the Organization considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, some of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation.

Considering the restriction of the trust, which must be maintained in perpetuity, the Organization has a policy for the assets held by the bank under the trust of appropriating for distribution each year 4.5% of its market value as of June 30 of the year proceeding the fiscal year in which the distribution is planned. This amount is restricted to serve those with developmental and intellectual disabilities.

United Way of the Midlands
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NOTES TO CONSOLIDATING FINANCIAL STATEMENTS - CONTINUED
For the year ended June 30, 2015

NOTE L. DONOR RESTRICTED ENDOWMENT FUNDS – CONTINUED

Changes in Endowment Net Assets
Year ended June 30:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets, beginning of year	\$ 3,505,986	\$ -	\$ 3,476,426	\$ 6,982,412
Investment return/(loss)	236,806	-	(181,858)	54,948
Appropriation of endowment assets for expenditure	(357,680)	-	-	(357,680)
New contributions	139,542	-	54,476	194,018
Endowment net assets, end of year	<u>\$ 3,524,654</u>	<u>\$ -</u>	<u>\$ 3,349,044</u>	<u>\$ 6,873,698</u>

NOTE M. DIRECT COMMUNITY SERVICES

Community Impact

This function is dedicated to encouraging community engagement, mobilization, and sharing a community vision. Activities include building community relationships, promotion of community involvement in priority issues, and advocating for the support of priority services. Additional activities include prioritization and research for initiative development, outcome measure development and assessment, and service implementation through fund distribution, economic development strategies, and agency designation management.

As a direct result of the strategic planning process, United Way’s vision, going forward, calls for the organization to engage the passion, energy and resources of community partners and leaders, working together to help underserved vulnerable populations and improve people’s lives to strengthen our entire metro area in the long-term. United Way will be accountable to the community for achieving and communicating results of its own work that of its partners and grant recipients. It will serve the most vulnerable among us by supporting the local safety net, and take the next critical step – committing to solutions on some of our area’s biggest human challenges.

United Way of the Midlands
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NOTES TO CONSOLIDATING FINANCIAL STATEMENTS - CONTINUED
For the year ended June 30, 2015

NOTE M. DIRECT COMMUNITY SERVICES – CONTINUED

Other Program Services

Information and Referral

When a caller dials 2-1-1, they find easy access to health and human service programs in Nebraska and Iowa. Certified Resource Specialists develop and maintain a computerized comprehensive database of nearly 4,000 health and human service programs. Individuals who need help, often in crisis situations, are connected with the right community resources by Certified Information and Referral Specialists who use the vast database. As well, individuals and groups that want to volunteer to help others can also be linked with local nonprofit groups. The 2-1-1 community resource database is also available on our website, www.ne211.org. The information gathered from both agencies and callers helps to identify gaps in local human services, which can assist local policy makers with future planning efforts. The 2-1-1 Resource Center is available 24 hours a day, 7 days a week.

Court Referral

Court Referral provides an alternative to incarceration for offenders, both youth and adults, who have been ordered by the judicial system to make retribution to the community through volunteer service. Trained specialists provide placement, monitoring and reporting services to ensure the successful completion of court ordered hours. These individuals are placed in not-for-profit organizations to provide much needed assistance in carrying out each host organization's mission. The individuals gain and enhance marketable social and job skills. The judicial system gains a cost-effective means for managing offenders. The entire community is impacted and receives benefits from this program.

Comprehensive Volunteerism

United Way of the Midlands links prospective volunteers with local nonprofit organizations that need the help. These can be one-time, monthly or more regular volunteer projects that meet the skills and schedule of the volunteering individual or group. Also, volunteer leadership and management skills are developed and implemented through referral, training, recognition and consultation for both program service volunteers and those who wish to serve on policy making boards at local nonprofits. A community volunteer opportunity database is available on the Organization's website.

United Way of the Midlands
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NOTES TO CONSOLIDATING FINANCIAL STATEMENTS - CONTINUED
For the year ended June 30, 2015

NOTE N. UNITED WAY WORLDWIDE COST DEDUCTION STANDARDS

United Way of the Midlands has committed to comply with the United Way Worldwide's cost deduction standards, which govern how expenses are recovered from contributions designated to specific agencies or other United Way organizations. United Way of the Midlands has also committed to all of the other United Way Worldwide membership requirements and provides a written compliance certification to the Board of Directors and the United Way Worldwide on an annual basis.

NOTE O. CONCENTRATION OF RISK

The Organization maintains its cash at various financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). These accounts, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents. As of June 30, 2015, cash and cash equivalents included \$6,539,680 held in one commercial bank. As of June 30, 2015, the uninsured and uncollateralized portion of this balance was \$6,289,680.

NOTE P. RELATED PARTY TRANSACTIONS

Material Related Party Transactions as defined by Accounting Standards Codification (ASC) 850 involving the United Way of the Midlands for year ending June 30, 2015 included:

- United Way of the Midlands Board of Director membership includes executives from various organizations. These organizations respectively received payments of \$421,153 for health and dental insurance premiums, \$48,419 for promotional services, \$35,340 for architectural work related to new location, and \$11,750 for investment and personnel services.

NOTE Q. COMMITMENTS

The United Way of the Midlands has \$1,387,717 committed to be expended for the purchase of tenant improvements, furniture, and equipment related to the build out and furnishing of new administrative offices. These funds have been committed as required by the purchase order agreements. As of June 30, 2015, \$211,848 of this commitment has been expended, and an additional \$582,090 is subject to landlord tenant allowance; leaving \$593,779 of the commitment as unexpended and in excess of landlord tenant allowance.

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NOTES TO CONSOLIDATING FINANCIAL STATEMENTS - CONTINUED
For the year ended June 30, 2015

NOTE R. OPERATING LEASES

On May 26, 2015, the United Way of the Midlands entered into a lease for its administrative offices for ten years and 3 months; commencing on September 1, 2015, and ending on November 30, 2025.

The future minimum annual rental payments per fiscal year are as follows:

Base Rental	
<u>Year ending June 30:</u>	<u>Payments</u>
2016	\$ 176,555
2017	306,175
2018	312,303
2019	318,512
2020	324,834
Thereafter	<u>1,723,370</u>
Total	<u>\$ 3,161,749</u>

NOTE S. SUBSEQUENT EVENTS

On December 5, 2014, the United Way of the Midlands Board of Directors approved the recommendation to sell the United Way of the Midlands office building and parking lot. An active effort was initiated, and buyer identified prior to June 30, 2015. That actual sale of the building at 1805 Harney Street and nearby parking lot was finalized on September 1, 2015 for a sale price of \$2,180,000.

Subsequent events have been assessed through September 25, 2015, which is the date the financial statements were issued, and has concluded there were no events or transactions that would require recognition or disclosure in the financial statements other than those already disclosed.