

UNITED WAY OF NORTHEASTERN MINNESOTA, INC.

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED MARCH 31, 2016 AND 2015

**UNITED WAY OF NORTHEASTERN MINNESOTA, INC.
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INDEPENDENT AUDITORS' REPORT

Board of Directors
United Way of Northeastern Minnesota, Inc.
Chisholm, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of United Way of Northeastern Minnesota, Inc., which comprise the statements of financial position as of March 31, 2016 and 2015, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

Board of Directors
United Way of Northeastern Minnesota, Inc.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Northeastern Minnesota, Inc., as of March 31, 2016 and 2015, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary program services 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.



CliftonLarsonAllen LLP

St. Cloud, Minnesota
October 11, 2016

UNITED WAY OF NORTHEASTERN MINNESOTA, INC.
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2016 AND 2015

	2016	2015
ASSETS		
Cash	\$ 324,884	\$ 422,630
Cash - Deposits Held for Others	26,593	18,769
Investments	424,286	417,091
Contributions Receivable, Less Allowance for Uncollectibles of \$25,000 and \$200,000 for 2016 and 2015, Respectively	659,566	749,365
Prepaid Expenses	1,204	18,579
Equipment, Net	27,047	31,818
Funds Held by Foundation	1,130,762	1,225,746
Total Assets	\$ 2,594,342	\$ 2,883,998
LIABILITIES AND NET ASSETS		
LIABILITIES		
Allocation and Designations Payable	\$ 559,347	\$ 873,951
Deposits Held for Others	26,593	18,769
Accounts Payable	16,947	17,628
Capital Lease Payable	6,397	8,252
Total Liabilities	609,284	918,600
NET ASSETS		
Unrestricted - Designated:		
Equipment	20,650	23,566
Funds Held by Foundation	1,134,662	1,225,746
Unrestricted - Undesignated	769,806	716,086
Temporarily Restricted	59,940	-
Total Net Assets	1,985,058	1,965,398
Total Liabilities and Net Assets	\$ 2,594,342	\$ 2,883,998

See accompanying Notes to Financial Statements.

UNITED WAY OF NORTHEASTERN MINNESOTA, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED MARCH 31, 2016 AND 2015

	2016	2015
UNRESTRICTED NET ASSETS		
PROGRAM SUPPORT AND REVENUE		
Gross Campaign Results	\$ 924,763	\$ 1,365,749
Less: Donor Designations	(16,544)	(19,754)
Less: Provision for Uncollected Accounts	(49,799)	(194,270)
Net Campaign Revenue	858,420	1,151,725
Contribution and Grant Income	106,250	-
Initiative Contributions	114,442	77,633
Gifts in Kind - Good 360	139,817	106,802
Special Events	232,559	261,434
Total Public Support	1,451,488	1,597,594
Interest Income	3,519	2,865
Change in Funds Held by Foundation	(45,115)	65,265
Total Revenue	1,409,892	1,665,724
ALLOCATIONS AND EXPENSES		
Allocations and Program Services:		
Gross Allocations to Agencies for Programs	528,686	926,901
Less: Donor Designations	(16,544)	(19,754)
Net Allocations Awarded	512,142	907,147
Initiative Distributions	324,539	235,889
Gifts in Kind Distributions	144,962	111,435
Program Services	282,381	275,655
Total Allocations and Program Services	1,264,024	1,530,126
Supporting Services:		
Management and General	66,443	64,860
Fundraising	119,705	113,853
Total Allocations and Expenses	1,450,172	1,708,839
CHANGE IN UNRESTRICTED NET ASSETS	(40,280)	(43,115)
TEMPORARILY RESTRICTED NET ASSETS		
Initiative Contributions	59,940	-
CHANGE IN NET ASSETS	19,660	(43,115)
NET ASSETS		
Beginning of Year	1,965,398	2,008,513
End of Year	\$ 1,985,058	\$ 1,965,398

See accompanying Notes to Financial Statements.

UNITED WAY OF NORTHEASTERN MINNESOTA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2016

	Program Services	Management and General	Fundraising	Total
Gross Allocations to Agencies for Programs	\$ 528,686	\$ -	\$ -	\$ 528,686
Less: Donor Designations	(16,544)	-	-	(16,544)
Net Allocation Awarded	512,142	-	-	512,142
Special Events	-	-	53,262	53,262
Initiative Distributions	324,539	-	-	324,539
Gifts in Kind - Good 360 Distributions	144,962	-	-	144,962
Salaries	175,376	41,265	41,265	257,906
Payroll Taxes	13,536	3,185	3,185	19,906
Employee Benefits	38,659	9,096	9,096	56,851
Total Salaries and Related Expenses	227,571	53,546	53,546	334,663
Telephone	3,841	904	904	5,649
Supplies	881	207	207	1,295
Travel	4,230	995	995	6,220
Postage	1,156	272	272	1,700
Campaign Supplies	5,201	1,224	1,224	7,649
Professional Fees	9,720	2,287	2,287	14,294
Equipment Maintenance	1,072	252	252	1,576
Occupancy	6,698	1,576	1,576	9,850
Business and Special Meetings	994	234	234	1,462
Training	1,999	471	471	2,941
Miscellaneous	6,647	1,564	1,564	9,775
Membership Dues	7,944	1,869	1,869	11,682
Depreciation	4,024	947	947	5,918
Interest Expense	403	95	95	593
Total Allocations and Expenses	<u>\$ 1,264,024</u>	<u>\$ 66,443</u>	<u>\$ 119,705</u>	<u>\$ 1,450,172</u>

See accompanying Notes to Financial Statements.

UNITED WAY OF NORTHEASTERN MINNESOTA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2015

	Program Services	Management and General	Fundraising	Total
Gross Allocations to Agencies for Programs	\$ 926,901	\$ -	\$ -	\$ 926,901
Less: Donor Designations	(19,754)	-	-	(19,754)
Net Allocation Awarded	907,147	-	-	907,147
Special Events	-	-	48,993	48,993
Initiative Distributions	235,889	-	-	235,889
Gifts in Kind - Good 360 Distributions	111,435	-	-	111,435
Salaries	169,039	39,774	39,774	248,587
Payroll Taxes	13,443	3,163	3,163	19,769
Employee Benefits	32,101	7,553	7,553	47,207
Total Salaries and Related Expenses	214,583	50,490	50,490	315,563
Telephone	4,187	985	985	6,157
Supplies	815	192	192	1,199
Travel	4,963	1,168	1,168	7,299
Postage	1,771	416	416	2,603
Campaign Supplies	4,372	1,029	1,029	6,430
Professional Fees	9,326	2,194	2,194	13,714
Equipment Maintenance	2,348	552	552	3,452
Occupancy	6,642	1,563	1,563	9,768
Equipment Purchase	251	59	59	369
Business and Special Meetings	1,204	284	284	1,772
Training	8,077	1,901	1,901	11,879
Miscellaneous	1,257	296	296	1,849
Membership Dues	11,036	2,597	2,597	16,230
Depreciation	4,347	1,022	1,022	6,391
Interest Expense	476	112	112	700
Total Allocations and Expenses	<u>\$ 1,530,126</u>	<u>\$ 64,860</u>	<u>\$ 113,853</u>	<u>\$ 1,708,839</u>

See accompanying Notes to Financial Statements.

UNITED WAY OF NORTHEASTERN MINNESOTA, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 19,660	\$ (43,115)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation	5,918	6,391
Change in Beneficial Interest in Assets Held by Others	94,984	(16,494)
Changes in Assets and Liabilities:		
Contributions Receivable	89,799	170,756
Prepaid Expenses	17,375	(17,374)
Allocations Payable and Designated Pledges	(314,604)	(295,137)
Accounts Payable	(681)	(460)
Deposits Held for Others	7,824	(2,520)
Net Cash Used by Operating Activities	(79,725)	(197,953)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(7,195)	(2,474)
Purchase of Equipment	(1,147)	(4,753)
Net Cash Used by Investing Activities	(8,342)	(7,227)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Capital Lease	(1,855)	(1,748)
Net Cash Used by Financing Activities	(1,855)	(1,748)
NET DECREASE IN CASH	(89,922)	(206,928)
Cash - Beginning of Year	441,399	648,327
CASH - END OF YEAR	\$ 351,477	\$ 441,399
SUPPLEMENTAL DISCLOSURES		
Cash	\$ 324,884	\$ 422,630
Cash - Deposits Held for Others	26,593	18,769
Total Cash	\$ 351,477	\$ 441,399
NONCASH INVESTING AND FINANCING ACTIVITIES		
Purchase of Equipment with Capital Lease	\$ -	\$ 10,000

See accompanying Notes to Financial Statements.

UNITED WAY OF NORTHEASTERN MINNESOTA, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016 AND 2015

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Organization

United Way of Northeastern Minnesota, Inc. (the Organization) is a nonprofit organization whose mission is to unite and focus the communities of Northeastern Minnesota in creating measurable results to improve people's lives and strengthen families. To help fulfill this mission, the Organization coordinates numerous special events and also conducts an annual fundraising campaign, where pledges are received from both corporations and individuals. It is governed by a volunteer board of directors drawn from throughout the community, with separate advisory board in Koochiching County. A summary of the Organization's significant accounting policies follows:

Basis of Presentation

The financial statements of United Way of Northeastern Minnesota, Inc., have been prepared on the accrual basis of accounting. Receipts are recorded as an increase in unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor imposed restrictions. Accordingly, net assets of the Organization and changes therein, are classified and reported as follows:

Unrestricted – Resources over which the board of directors has discretionary control. The board of directors has designated unrestricted net assets for equipment and funds held by foundation. At March 31, 2016 and 2015, all net assets were considered unrestricted.

Temporarily Restricted – Those resources subject to a donor-imposed restriction which will be satisfied by actions of the Organization or the passage of time.

Permanently Restricted – Those resources subject to a donor-imposed restriction that they be maintained permanently.

Use of Estimates

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

Investments

Investments consist of certificates of deposit which are recorded at amortized cost which approximates fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investment income or loss, including gains and losses on investments, interest and dividends, is included in the statement of activities as increases or decreases in unrestricted net assets unless the income is restricted by donor or law.

**UNITED WAY OF NORTHEASTERN MINNESOTA, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016 AND 2015**

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions Receivable

All contributions receivable are due in less than one year. Management determines the allowance for uncollectible accounts by using historical collection experience applied to pledges received by the Organization and by identifying troubled accounts. Contributions receivable are written off when deemed uncollectible. Recoveries of contributions receivable previously written off are recorded when received. Conditional promises to give are not included as support until the conditions are substantially met.

Equipment and Depreciation

The Organization capitalizes all expenditures of property and equipment with a useful life of greater than one year and a unit cost equal to or greater than \$500. Equipment is recorded at cost, or in the case of contributed property, at the fair value at the date of contribution. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of office equipment are recorded as unrestricted support.

Expenditures for renewals and improvements are capitalized while the cost of maintenance and repairs is charged to expense as incurred. When assets are retired, or otherwise disposed of, the cost and related accumulated depreciation is removed from the accounts and any resulting gain or loss is reflected in income for the period.

Depreciation is determined using the straight-line method over the estimated useful lives, which ranges from 5 – 7 years.

	2016	2015
Equipment	\$ 53,170	\$ 52,023
Less: Accumulated Depreciation	(26,123)	(20,205)
Net Equipment	<u>\$ 27,047</u>	<u>\$ 31,818</u>

Allocations and Designations Payable

Allocations and designations payable are campaign contributions received by the Organization from the annual campaign that will be distributed to various agencies.

Deposits Held for Others

Deposits held for others are monies received by the Organization as a result of managing funds received for the Cancer Walk and Serenity House. When funds are received they are held in cash and recorded as a liability. Substantially all monies received are distributed as instructed by the Cancer Walk's governance committee and Serenity House's board of directors, which reduces the liability.

UNITED WAY OF NORTHEASTERN MINNESOTA, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016 AND 2015

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor 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. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Gifts in Kind – Good 360

Gifts in kind consist of donated materials which are reflected as in-kind contributions at their estimated value at the date of receipt. Donated services are recognized to the extent that such services meet specific criteria with respect to creating or enhancing nonfinancial assets or services which require specialized skills. A substantial number of volunteers have donated significant amounts of time to the Organization's programs and fundraising campaigns which did not meet the criteria for recognition in the accompanying financial statements.

Fair Value Measurements

The Organization reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by generally accepted accounting principles, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

Level 1 – Quoted prices for identical assets or liabilities in active markets to which the Organization has access at the measurement date.

Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets in markets that are not active;
- observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
- inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

Level 3 – Unobservable inputs for the asset or liability should be used to measure the fair value to the extent that observable inputs are not available.

The fair value of the beneficial interest in assets held by others is determined using the Level 3 inputs and the fair value of the equity securities is determined using the Level 1 inputs described above.

UNITED WAY OF NORTHEASTERN MINNESOTA, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016 AND 2015

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of providing the various services and other activities have been presented on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Concentration of Credit Risk

Cash includes FDIC insured amounts on deposit at a financial institution which may at times exceed the federally insured amount. The Organization periodically evaluates the risk of exceeding insurance levels and may transfer funds as it deems appropriate.

Income Tax Status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state income tax laws. The Organization is not a private foundation and contributions to the Organization qualify as a charitable tax deduction by the contributor.

Management evaluated the Organization's tax positions and concluded that the Organization had taken no uncertain tax positions that required adjustment to the financial statements.

Effect of Economic Conditions on Contributions

The Organization depends on contributions for a significant portion of its revenue. The ability of the Organization's contributors to continue giving amounts comparable with prior years may be dependent upon future economic conditions and continued deductibility for income tax purposes of contributions to the Organization. While the Organization's board of directors and management believe the Organization has the resources to continue its programs, its ability to do so and the extent to which it continues may be dependent on the above factors.

Subsequent Events

Management has evaluated subsequent events through October 11, 2016, the date the financial statements were available to be issued.

UNITED WAY OF NORTHEASTERN MINNESOTA, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016 AND 2015

NOTE 2 FUNDS HELD BY FOUNDATION

United Way of Northeastern Minnesota, Inc. has established the United Way of Northeastern Minnesota Forever Fund at the Minnesota Community Foundation. Pursuant to the terms of the agreement establishing this fund, property contributed to Minnesota Community Foundation is held as a separate fund designated for the benefit of United Way of Northeastern Minnesota, Inc. In accordance with its spending policy, the Foundation makes annual distributions from the Fund to United Way of Northeastern Minnesota, Inc.

The portion of the Fund contributed by the Organization is reported as an asset of the Organization. The Organization has granted variance power to the Foundation. This variance power allows the Foundation to move funds received directly by the Foundation from the Fund to other Foundation endowment funds if deemed appropriate. The net income of the Fund shall be distributed at least annually to the Organization. The fund is recorded at fair value, which is estimated as the fair value of the underlying Fund assets. The valuation technique used by the Organization is a Level 3 measure.

	<u>2016</u>	<u>2015</u>
Beginning of Year	\$ 1,225,746	\$ 1,209,252
Distributions	(49,969)	(48,382)
Investment Return Earned	(45,015)	64,876
End of Year	<u>\$ 1,130,762</u>	<u>\$ 1,225,746</u>

NOTE 3 ALLOCATIONS AND DESIGNATIONS PAYABLE

	<u>2016</u>	<u>2015</u>
Community Care Allocation Payable	\$ 542,803	\$ 854,197
Donor Designated Pledges	16,544	19,754
Total	<u>\$ 559,347</u>	<u>\$ 873,951</u>

The Organization receives various donor pledges that are designated for specific beneficiaries. The Organization is considered an agent for the donor designated beneficiaries and, as such, records amounts received from the donor as a liability to the designated beneficiaries. The donor designated pledges are not included in revenue of the Organization. During the years ended March 31, 2016 and 2015, the Organization raised \$16,544 and \$19,754, respectively, of donor designated pledges, of which amounts due to the designated beneficiaries are included in the above table.

NOTE 4 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>2016</u>	<u>2015</u>
Child Care Expansion	\$ 31,650	\$ -
Crisis Fund	28,290	-
Total Temporarily Restricted Net Assets	<u>\$ 59,940</u>	<u>\$ -</u>

UNITED WAY OF NORTHEASTERN MINNESOTA, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016 AND 2015

NOTE 5 ALLOCATIONS TO AGENCIES

Allocations awarded and payable to agencies were as follows:

	<u>2016</u>	<u>2015</u>
Advocates for Family Peace	\$ 20,000	\$ 50,105
American Red Cross	1,500	7,028
ARC Range Chapter	7,500	8,032
Area Food Banks	30,000	30,000
Arrowhead Center - Adolescent Meals	9,428	12,000
Boy Scouts/Voyageur Area Council	7,500	10,032
Boys & Girls Club of the North	10,000	12,048
Camp Chicagami	11,640	16,063
Care Partners	35,000	40,158
Chisholm KIDS PLUS	-	10,040
Early Reading Program	538	1,000
East Range DAC	10,000	15,057
Elder Services Network	5,000	20,079
Ely Community Resource	17,000	22,087
Floodwood Services and Training	12,000	12,048
Forget-Me-Not Foundation	-	16,052
Foster Grandparent Program	4,500	5,020
Girl Scouts/Range	-	5,020
Habitat for Humanity - NSLC	15,000	35,139
Hibbing Kinship Mentoring Program	12,000	15,059
Homeless Youth Project - RMH	20,000	20,079
LSS Family Resource Center	25,000	40,158
Mesabi Family YMCA	15,000	12,550
Northwoods Care Partners	32,000	30,119
ODC	-	5,000
Project Care	30,000	55,218
Range Respite	20,000	41,162
Range Transitional Housing	35,000	40,158
RMHC - ADAPT	-	17,000
RMHC - LEAP	10,000	-
Salvation Army - Hibbing	17,000	25,099
Salvation Army - Virginia	28,500	45,178
Second Harvest N. Lake Food Bank	10,000	20,079
Senior Programs	-	2,500

UNITED WAY OF NORTHEASTERN MINNESOTA, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016 AND 2015

NOTE 5 ALLOCATIONS TO AGENCIES (CONTINUED)

	<u>2016</u>	<u>2015</u>
Sexual Assault Program of NSLC	\$ 25,000	\$ 35,139
Support Within Reach (Itasca AASA)	2,500	4,518
Twelfth Step House	10,000	28,111
United Way 211	4,000	7,000
Volunteers in Education	14,980	23,091
Well Being Development	-	15,059
Iron Range Allocations	<u>507,586</u>	<u>809,285</u>
Fairview Homecare & Hospice	2,000	5,000
Falls Hunger Coalition	5,000	5,000
Friends Against Abuse	10,000	10,000
Koochiching Aging Options	3,000	3,000
Koochiching Senior Center	7,000	7,000
ODC	-	4,000
Salvation Army	<u>20,000</u>	<u>15,500</u>
Koochiching Allocations	<u>47,000</u>	<u>49,500</u>
Total Community Care Allocations	<u>554,586</u>	<u>858,785</u>
Smiles Across Minnesota	48,494	1,281
Imagination Library	63,457	64,674
Buddy Backpack	130,824	138,867
Transition Fund for Families in Crisis	2,032	6,469
Veterans Needs Assessment	30,146	16,451
Childcare Program	8,286	5,647
Volunteer Portal Disbursement	2,500	2,500
Parent Aware	8,000	-
Expansion	28,300	-
Crisis Fund	<u>2,500</u>	<u>-</u>
Total Initiatives Distributions	<u>324,539</u>	<u>235,889</u>
Total Agency Allocations	<u>\$ 879,125</u>	<u>\$ 1,094,674</u>

These amounts do not include contributions that donors have designated for a specific beneficiary.

UNITED WAY OF NORTHEASTERN MINNESOTA, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016 AND 2015

NOTE 6 RETIREMENT PLAN

The Organization has a Simple IRA plan qualified under Section 408 of the IRC for all employees who meet certain eligibility requirements. The Organization contributed \$17,247 and \$16,494 to the plan during the years ended March 31, 2016 and 2015, respectively. Employees may also elect to make salary deferral contributions to the plan generally up to a maximum amount allowed by the IRC limits.

NOTE 7 COMMITMENTS

The Organization leases office space based upon a verbal agreement renewed annually. Total office space rent expense was \$8,700 and \$8,700 for the years ended March 31, 2016 and 2015, respectively.

The Organization has entered into a capital lease agreement for a copier. The lease term is five years beginning April 2014. The cost of the copier under the capital lease was \$10,000 and the corresponding accumulated depreciation was \$4,000 and \$2,000 at March 31, 2016 and 2015, respectively. Depreciation on the copier under the capital lease is included in depreciation expense.

Future capital lease payments, including interest, are as follows:

<u>Year Ending March 31,</u>	<u>Amount</u>
2017	\$ 2,448
2018	2,448
2019	<u>2,304</u>
Total Minimum Lease Payments	7,200
Less: Amount Representing Interest on Capital Lease Payable	(803)
Net Minimum Capital Lease Payable	<u><u>\$ 6,397</u></u>

UNITED WAY OF NORTHEASTERN MINNESOTA, INC.
PROGRAM SERVICES
YEAR ENDED MARCH 31, 2016
(SEE INDEPENDENT AUDITORS' REPORT)

	<u>Allocating</u>	<u>Planning</u>	<u>Other</u>	<u>Total</u>
Salaries	\$ 56,120	\$ 56,120	\$ 63,136	\$ 175,376
Payroll Taxes	4,332	4,332	4,872	13,536
Employee Benefits	12,371	12,371	13,917	38,659
Total Salaries and Related Expenses	<u>72,823</u>	<u>72,823</u>	<u>81,925</u>	<u>227,571</u>
Telephone	1,229	1,229	1,383	3,841
Supplies	282	282	317	881
Travel	1,354	1,354	1,522	4,230
Postage	370	370	416	1,156
Campaign Supplies	1,664	1,664	1,873	5,201
Professional Fees	3,110	3,110	3,500	9,720
Equipment Maintenance	343	343	386	1,072
Occupancy	2,143	2,143	2,412	6,698
Business and Special Meetings	318	318	358	994
Training	640	640	719	1,999
Miscellaneous	2,127	2,127	2,393	6,647
Membership Dues	2,542	2,542	2,860	7,944
Depreciation	1,288	1,288	1,448	4,024
Interest Expense	129	129	145	403
Total	<u>\$ 90,362</u>	<u>\$ 90,362</u>	<u>\$ 101,657</u>	<u>\$ 282,381</u>

UNITED WAY OF NORTHEASTERN MINNESOTA, INC.
PROGRAM SERVICES
YEAR ENDED MARCH 31, 2015
(SEE INDEPENDENT AUDITORS' REPORT)

	<u>Allocating</u>	<u>Planning</u>	<u>Other</u>	<u>Total</u>
Salaries	\$ 54,092	\$ 54,092	\$ 60,855	\$ 169,039
Payroll Taxes	4,302	4,302	4,839	13,443
Employee Benefits	<u>10,272</u>	<u>10,272</u>	<u>11,557</u>	<u>32,101</u>
Total Salaries and Related Expenses	68,666	68,666	77,251	214,583
Telephone	1,340	1,340	1,507	4,187
Supplies	261	261	293	815
Travel	1,588	1,588	1,787	4,963
Postage	567	567	637	1,771
Campaign Supplies	1,399	1,399	1,574	4,372
Professional Fees	2,984	2,984	3,358	9,326
Equipment Maintenance	751	751	846	2,348
Occupancy	2,125	2,125	2,392	6,642
Equipment Purchase	80	80	91	251
Business and Special Meetings	385	385	434	1,204
Training	2,585	2,585	2,907	8,077
Miscellaneous	402	402	453	1,257
Membership Dues	3,532	3,532	3,972	11,036
Depreciation	1,391	1,391	1,565	4,347
Interest Expense	<u>152</u>	<u>152</u>	<u>172</u>	<u>476</u>
Total	<u>\$ 88,208</u>	<u>\$ 88,208</u>	<u>\$ 99,239</u>	<u>\$ 275,655</u>