

UNITED WAY OF NORTHEASTERN MINNESOTA, INC.

FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2015 AND 2014

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, 2015 and 2014, 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, 2015 and 2014, 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
September 17, 2015

UNITED WAY OF NORTHEASTERN MINNESOTA, INC.
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2015 AND 2014

	2015	2014
ASSETS		
Cash	\$ 422,630	\$ 627,038
Cash - Deposits Held for Others	18,769	21,289
Investments	417,091	414,617
Contributions Receivable, Less allowance for Uncollectibles of \$200,000 and \$50,000 for 2015 and 2014, Respectively	749,365	920,121
Prepaid Expenses	18,579	1,205
Equipment, Net	31,818	27,170
Funds Held by Foundation	1,225,746	1,209,252
Total Assets	\$ 2,883,998	\$ 3,220,692
LIABILITIES AND NET ASSETS		
LIABILITIES		
Allocation and Designations Payable	\$ 873,951	\$ 1,169,088
Deposits Held for Others	18,769	21,289
Accounts Payable	17,628	21,802
Capital Lease Payable	8,252	-
Total Liabilities	918,600	1,212,179
NET ASSETS		
Unrestricted - Designated:		
Equipment	23,566	27,170
Funds Held by Foundation	1,225,746	1,209,252
Unrestricted - Undesignated	716,086	772,091
Total Net Assets	1,965,398	2,008,513
Total Liabilities and Net Assets	\$ 2,883,998	\$ 3,220,692

See accompanying Notes to Financial Statements.

UNITED WAY OF NORTHEASTERN MINNESOTA, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED MARCH 31, 2015 AND 2014

	2015	2014
PROGRAM SUPPORT AND REVENUE		
Gross Campaign Results	\$ 1,365,749	\$ 1,422,031
Less: Donor Designations	(19,754)	(22,417)
Less: Provision for Uncollected Accounts	(194,270)	(51,459)
Net Campaign Revenue	1,151,725	1,348,155
Grant Income	5,000	2,500
Initiative Contributions	72,633	93,592
Gifts in Kind	106,802	58,205
Special Events	261,434	194,486
Total Public Support	1,597,594	1,696,938
Interest Income	2,865	3,436
Change in Funds Held by Foundation	65,265	147,087
Total Revenue	1,665,724	1,847,461
ALLOCATIONS AND EXPENSES		
Allocations and Program Services:		
Gross Allocations to Agencies for Programs	926,901	1,194,610
Less: Donor Designations	(19,754)	(22,417)
Net Allocations Awarded	907,147	1,172,193
Initiative Distributions	235,889	328,645
Gifts in Kind Distributions	111,435	56,958
Program Services	275,655	245,017
Total Allocations and Program Services	1,530,126	1,802,813
Supporting Services:		
Management and General	64,860	57,651
Fundraising	113,853	81,436
Total Allocations and Expenses	1,708,839	1,941,900
DECREASE IN NET ASSETS	(43,115)	(94,439)
NET ASSETS		
Beginning of Year	2,008,513	2,102,952
End of Year	\$ 1,965,398	\$ 2,008,513

See accompanying Notes to Financial Statements.

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

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
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
Gift in Kind 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.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2014

	Program Services	Management and General	Fundraising	Total
Gross Allocations to Agencies for Programs	\$ 1,194,610	\$ -	\$ -	\$ 1,194,610
Less: Donor Designations	(22,417)	-	-	(22,417)
Net Allocation Awarded	1,172,193	-	-	1,172,193
Special Events	-	-	23,784	23,784
Initiative Distributions	328,645	-	-	328,645
Gift in Kind Distributions	56,958	-	-	56,958
Salaries	149,935	35,279	35,279	220,493
Payroll Taxes	12,306	2,896	2,896	18,098
Employee Benefits	29,940	7,045	7,045	44,030
Total Salaries and Related Expenses	192,181	45,220	45,220	282,621
Telephone	3,474	817	817	5,108
Supplies	1,605	378	378	2,361
Travel	4,945	1,164	1,164	7,273
Postage	1,032	243	243	1,518
Campaign Supplies	6,525	1,535	1,535	9,595
Professional Fees	8,768	2,063	2,063	12,894
Equipment Maintenance	367	86	86	539
Occupancy	5,857	1,378	1,378	8,613
Equipment Purchase	406	95	96	597
Business and Special Meetings	2,346	552	552	3,450
Training	1,795	422	422	2,639
Miscellaneous	330	78	78	486
Membership Dues	12,386	2,914	2,914	18,214
Depreciation	3,000	706	706	4,412
Total Allocations and Expenses	<u>\$ 1,802,813</u>	<u>\$ 57,651</u>	<u>\$ 81,436</u>	<u>\$ 1,941,900</u>

See accompanying Notes to Financial Statements.

UNITED WAY OF NORTHEASTERN MINNESOTA, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (43,115)	\$ (94,439)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation	6,391	4,412
Contribution of Fixed Assets	-	(3,714)
Change in Beneficial Interest in Assets Held by Others	(16,494)	(98,705)
Changes in Assets and Liabilities:		
Contributions Receivable	170,756	74,633
Prepaid Expenses	(17,374)	1
Allocations Payable and Designated Pledges	(295,137)	93,692
Accounts Payable	(460)	(49,654)
Refundable Advances	-	(15,000)
Deposits Held for Others	(2,520)	4,257
Net Cash Used by Operating Activities	(197,953)	(84,517)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(2,474)	(2,620)
Sale of Investments	-	200,382
Purchase of Equipment	(4,753)	(3,320)
Net Cash Provided (Used) by Investing Activities	(7,227)	194,442
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Capital Lease	(1,748)	-
Net Cash Used by Financing Activities	(1,748)	-
NET INCREASE (DECREASE) IN CASH	(206,928)	109,925
Cash - Beginning of Year	648,327	538,402
CASH - END OF YEAR	\$ 441,399	\$ 648,327
SUPPLEMENTAL DISCLOSURES		
Cash	\$ 422,630	\$ 627,038
Cash - Deposits Held for Others	18,769	21,289
Total Cash	\$ 441,399	\$ 648,327
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, 2015 AND 2014

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, 2015 and 2014, 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, 2015 AND 2014

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.

	2015	2014
Equipment	\$ 52,023	\$ 40,984
Less: Accumulated Depreciation	(20,205)	(13,814)
Net Equipment	<u>\$ 31,818</u>	<u>\$ 27,170</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 fundraising events for Cancer Walk. When funds are received they are held in cash and recorded as a liability. Substantially all monies received from the fundraising events are distributed as instructed by the event's governance committee, which reduces the liability.

UNITED WAY OF NORTHEASTERN MINNESOTA, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015 AND 2014

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

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, 2015 AND 2014

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 September 17, 2015, the date the financial statements were available to be issued.

UNITED WAY OF NORTHEASTERN MINNESOTA, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015 AND 2014

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>2015</u>	<u>2014</u>
Beginning of Year	\$ 1,209,252	\$ 1,110,547
Distributions	(48,382)	(48,382)
Investment Return Earned	64,876	147,087
End of Year	<u>\$ 1,225,746</u>	<u>\$ 1,209,252</u>

NOTE 3 ALLOCATIONS AND DESIGNATIONS PAYABLE

	<u>2015</u>	<u>2014</u>
Community Care Allocation Payable	\$ 854,197	\$ 1,146,671
Donor Designated Pledges	19,754	22,417
Total	<u>\$ 873,951</u>	<u>\$ 1,169,088</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, 2015 and 2014, the Organization raised \$19,754 and \$22,417, respectively, of donor designated pledges, of which amounts due to the designated beneficiaries are included in the above table.

UNITED WAY OF NORTHEASTERN MINNESOTA, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015 AND 2014

NOTE 4 ALLOCATIONS TO AGENCIES

Allocations awarded and payable to agencies were as follows:

	<u>2015</u>	<u>2014</u>
Advocates for Family Peace	\$ 50,105	\$ 96,204
American Red Cross	7,028	10,025
ARC Range Chapter	8,032	11,028
Area Food Banks	30,000	30,000
Arrowhead Center - Adolescent Meals	12,000	-
Boy Scouts/Voyageur Area Council	10,032	17,523
Boys & Girls Club of the North	12,048	15,038
Camp Chicagami	16,063	20,050
Care Partners	40,158	50,126
Children's Dental Services	-	26,000
Chisholm KIDS PLUS	10,040	30,076
Courage Center	-	10,025
Early Reading Program	1,000	-
East Range DAC	15,057	20,047
Elder Services Network	20,079	25,063
Ely Community Resource	22,087	24,562
Floodwood Services and Training	12,048	15,038
Forget-Me-Not Foundation	16,052	18,045
Foster Grandparent Program	5,020	7,519
Girl Scouts/Range	5,020	7,015
Habitat for Humanity - NSLC	35,139	50,126
Hibbing Kinship Mentoring Program	15,059	21,053
Homeless Youth Project - RMH	20,079	25,063
LSS Family Resource Center	40,158	46,116
Mesabi Family YMCA	12,550	24,060
Mesabi Family YMCA - Mentor Mesabi	-	5,013
Northwoods Care Partners	30,119	41,103
ODC	5,000	-
Project Care	55,218	60,151
Range Mental Health Drop in Centers	-	40,101
Range Respite	41,162	60,151
Range Transitional Housing	40,158	47,613
RMHC - ADAPT	17,000	-
Salvation Army - Hibbing	25,099	30,067
Salvation Army - Virginia	45,178	50,099
Second Harvest N. Lake Food Bank	20,079	24,562
Senior Programs	2,500	2,500

UNITED WAY OF NORTHEASTERN MINNESOTA, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015 AND 2014

NOTE 4 ALLOCATIONS TO AGENCIES (CONTINUED)

	<u>2015</u>	<u>2014</u>
Sexual Assault Program of NSLC	35,139	40,101
St. Louis County Rescue Squad	-	1,500
Support Within Reach (Itasca AASA)	4,518	7,519
Twelfth Step House	28,111	40,101
United Way 211	7,000	7,500
Volunteers in Education	23,091	30,076
Well Being Development	15,059	35,088
Iron Range Allocations	<u>809,285</u>	<u>1,123,047</u>
4-H * Minnesota Extension Agency	-	1,500
Fairview Homecare & Hospice	5,000	5,000
Falls Hunger Coalition	5,000	10,000
Friends Against Abuse	10,000	10,000
Koochiching Aging Options	3,000	3,000
Koochiching Senior Center	7,000	8,393
ODC	4,000	4,000
Salvation Army	15,500	15,000
Koochiching Allocations	<u>49,500</u>	<u>56,893</u>
Total Community Care Allocations	<u>858,785</u>	<u>1,179,940</u>
Smiles Across Minnesota	1,281	27,017
Imagination Library	64,674	65,765
Buddy Backpack	138,867	162,498
Childcare Initiative Survey	-	61,320
Transition Fund for Families in Crisis	6,469	1,207
Veterans Needs Assessment	16,451	7,588
Childcare Program	5,647	-
Volunteer Portal Disbursement	2,500	3,250
Total Initiatives Distributions	<u>235,889</u>	<u>328,645</u>
Total Agency Allocations	<u>\$ 1,094,674</u>	<u>\$ 1,508,585</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, 2015 AND 2014

NOTE 5 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 \$16,494 and \$15,741 to the plan during the years ended March 31, 2015 and 2014, 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 6 COMMITMENTS

The Organization leases office space based upon a verbal agreement renewed annually. Total office space rent expense was \$8,700 and \$7,050 for the years ended March 31, 2015 and 2014, respectively.

The Organization has entered into a capital lease agreement for a copier. The lease term is five years beginning April 2014. At March 31, 2015 the cost of the copier under the capital lease was \$10,000 and the corresponding accumulated depreciation was \$2,000. 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, 2015</u>	<u>Amount</u>
2016	\$ 2,448
2017	2,448
2018	2,448
2019	2,304
Total Minimum Lease Payments	9,648
Less: Amount Representing Interest on Capital Lease Payable	(1,396)
Net Minimum Capital Lease Payable	<u>\$ 8,252</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	10,272	10,272	11,557	32,101
Total Salaries and Related Expenses	<u>68,666</u>	<u>68,666</u>	<u>77,251</u>	<u>214,583</u>
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	152	152	172	476
Total	<u>\$ 88,208</u>	<u>\$ 88,208</u>	<u>\$ 99,239</u>	<u>\$ 275,655</u>

UNITED WAY OF NORTHEASTERN MINNESOTA, INC.
PROGRAM SERVICES
YEAR ENDED MARCH 31, 2014
(SEE INDEPENDENT AUDITORS' REPORT)

	<u>Allocating</u>	<u>Planning</u>	<u>Other</u>	<u>Total</u>
Salaries	\$ 47,979	\$ 47,979	\$ 53,977	\$ 149,935
Payroll Taxes	3,938	3,938	4,430	12,306
Employee Benefits	9,581	9,581	10,778	29,940
Total Salaries and Related Expenses	<u>61,498</u>	<u>61,498</u>	<u>69,185</u>	<u>192,181</u>
Telephone	1,112	1,112	1,250	3,474
Supplies	514	514	577	1,605
Travel	1,582	1,582	1,781	4,945
Postage	330	330	372	1,032
Campaign Supplies	2,088	2,088	2,349	6,525
Professional Fees	2,806	2,806	3,156	8,768
Equipment Maintenance	117	117	133	367
Occupancy	1,874	1,874	2,109	5,857
Equipment Purchase	130	130	146	406
Business and Special Meetings	751	751	844	2,346
Training	574	574	647	1,795
Miscellaneous	106	106	118	330
Membership Dues	3,964	3,964	4,458	12,386
Depreciation	960	960	1,080	3,000
Total	<u>\$ 78,406</u>	<u>\$ 78,406</u>	<u>\$ 88,205</u>	<u>\$ 245,017</u>